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ON LEND-LEASE OPERATIONS

ACOUNTINA DE CONTRACTOR DE CON

For the Period Ended July 31, 1943

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ELEVENTH REPORT TO CONGRESS ON LEND-LEASE OPERATIONS

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For the Period Ended July 31, 1943

"The President from time to time, but not less frequently than once every ninety days, shall transmit to the Congress a report of operations under this Act except such information as he deems incompatible with the public interest to disclose."

[From Section 5, subsection b of "An Act to Promote the Defense of the United States" (Public Law No. 11, 77th Congress, 1st Session).]

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PRESIDENT'S LETTER OF TRANSMITTAL

To the Congress of the United States of America:

I am transmitting herewith to the Seventy-eighth Congress a report of operations under the Lend-Lease Act for the period ended July 31, 1943.

In the month of July alone, lend-lease aid exceeded a billion dollars. Lend-lease supplies are hastening the day of final victory.

Sicily has fallen. The fascist dictator has been thrown out of power. For the first time the United Nations forces occupy part of the homeland of the enemy.

The subjugated peoples of Nazi Europe are now aware that the European fortress is not impregnable. The great offensives of the Soviet Army on the Eastern Front, the continued heroic struggle of the Chinese, and the British offensives in other areas, aided by lend-lease munitions and supplies, are having their repercussions both on and behind the battle lines. Our might and that of our allies is being felt in the Axis satellite nations of the Balkans and Middle Europe, and in Nazi Germany as well. From Hamburg on the North Sea to Ploesti in Rumania, the people know from first-hand experience with what crushing force the United Nations can strike.

Except for the responsible fascist leaders, the people of the Axis need not fear unconditional surrender to the United Nations. I have said that we shall bring food for the starving and medicine for the sick in the areas liberated by the United Nations. We have done so, under lend-lease, in North Africa. We are doing so in Sicily. We shall continue to do so in other areas, as they are liberated, to prevent economic breakdown and to aid the liberated peoples to produce and to help themselves. We shall provide these necessary civilian supplies in support of our military operations and as a matter of

simple humanity. The people of Axis-controlled areas may be assured that when they agree to unconditional surrender they will not be trading Axis despotism for ruin under the United Nations. The goal of the United Nations is to permit liberated peoples to create a free political life of their own choosing and to attain economic security. These are two of the great objectives of the Atlantic Charter.

But until the day of unconditional surrender, the United Nations will continue with the force of all their power to hit the enemy. We are striking hard and ready to strike harder. Greatly increased United States forces and greatly increased lend-lease supplies are on the way to the battle fronts. The longer this war goes on, the stronger the United Nations will become.

The United Nations are growing stronger because each of them is contributing to the common struggle in full measure—whether in men, in weapons, or in materials. Each is contributing in accordance with its ability and its resources. Everything that all of us have is dedicated to victory over the Axis powers. The Congress in passing and extending the Lend-Lease Act made it plain that the United States wants no new war debts to jeopardize the coming peace. Victory and a secure peace are the only coin in which we can be repaid.

This report on lend-lease and reverse lend-lease activities should be both an assurance and a warning to our enemies. The power of the United Nations is great. The will of the United Nations is fixed. In this common war we fight as one man, for one victory—and we shall have it.

Franklin D. Roosevelt.

(Filed August 25, 1943, with the Secretary of the Senate and the Clerk of the House of Representatives as provided in Section 5-b of the Lend-Lease Act.)

Chapter 1

THE LEND-LEASE PROGRAM TO DATE

The munitions, food and supplies which we send abroad as lend-lease aid constitute a relatively small part of this country's total war costs—an estimated 12 percent. The lend-lease program is, however, of fundamental importance to the successful prosecution of the war by the United Nations. The other United Nations produce most of the munitions and other war supplies which they use, but lend-lease provides many weapons which they are not in a position to produce themselves, food which augments their inadequate supply, and raw materials and industrial equipment which enable them to expand their output of finished munitions and to meet essential civilian needs.

Total Aid

From the passage of the Lend-Lease Act on March 11, 1941, to July 31, 1943, lend-lease aid—goods transferred and services rendered—has totaled \$13,973,339,000 (Table 1). Of this amount, munitions were 50 percent, industrial products 21 percent, and food and other agricultural products 14 percent. The remaining 15 percent consisted of shipping, ship repairs, and other services, and the construction of plant facilities in the United States for the production of lend-lease goods.

Chart 1 shows the amount of lend-lease aid for each month through July 1943. In June of this year the monthly total reached the one billion dollar mark for the first time.

Lend-Lease Exports

Transfer figures are inadequate to show where lend-lease goods have been sent, as the name of the country to which goods are transferred does not always indicate to which of the war areas they have gone. Lend-lease export figures give a better indication of the ultimate destination of the articles. These are shown on a cumulative basis in Table 2 and by months in Table 3. They are also shown on a quarterly basis in Chart 2.

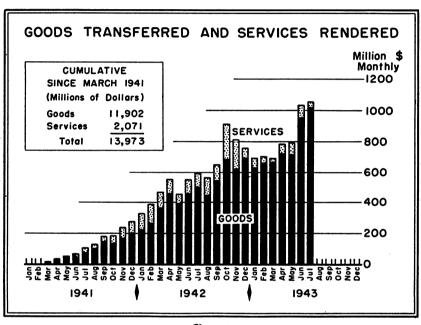


Chart 1

The export figures, of course, do not include shipping, ship repairs and other services rendered, or plant facilities constructed in the United States and, as explained in the footnote to the tables, they do not include all goods transferred; they do, however, give a substantially complete picture of the distribution of lend-lease goods.

The relative amounts of military articles, industrial materials and agricultural products exported under lend-lease during the period from July 1, 1941, to June 30, 1942, and during the period from July 1, 1942, to June 30, 1943, are shown in Chart 3.

TOTAL LEND-LEASE AID

Thousands of Dollars

	July 1943	June 1943	May 1943	Cumulative Mar. 1941 through July 1943
Goods Transferred	1,018,026	954,009	715,699	11,901,972
Services Rendered	32,381	76,268	74,484	2,071,367
Total Lend-Lease Aid.	1,050,407	1,030,277	790,183	13,973,339

The above figures are exclusive of the value of goods consigned to United States commanding generals for subsequent transfer in the field to lend-lease countries. The total value of such consignments to July 31, 1943 was \$250,481,000.

Table 1

Lend-lease exports of munitions in the past year were equivalent to 15 percent of our munitions production in that period. We sent to our allies under lend-lease in the year ended June 30, 1943, 17 out of every 100 bombers we produced, 25 out of every 100 fighter planes, 22 out of every 100 light tanks, and 36 out of every 100 medium tanks.

Redistribution of Materials

Procurement of lend-lease materials is based on careful planning which takes into account the needs of our allies in relation to the needs of our own armed forces and civilian population, available shipping facilities, and other relevant factors. The exigencies of warfare frequently cause shifts in the needs for different articles, diversions of shipping from one route or from one country to another and other unpredictable changes which require the redistribution of materials.

In the case of munitions, which are procured and distributed by the War and Navy Departments, such redistribution is controlled by the Munitions Assignments Board, which determines the use to which they can best be put in carrying out the world-wide strategy of the United Nations. For industrial

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materials and products, the Lend-Lease Administration early this year created a Materials Redistribution Committee to work with the lend-lease countries and with the Redistribution Division of the War Production Board in putting to immediate war use such articles as cannot be shipped within a reasonable time to the country for which they were ordered, or because of the changing strategy of the war, are no longer urgently required by that country.

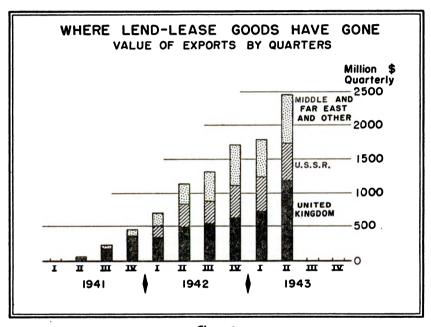


Chart 2

Materials and supplies of all kinds are being redistributed, steel being one of the most important items. Last fall a substantial amount of steel destined for Great Britain was diverted to American armament production because it could not be moved on account of the shipping requirements of the North African campaign. Also, approximately 250,000 tons of finished and semifinished steel purchased for Russia are being redistributed to other lend-lease countries and to American industry. This steel has been made available in part by the increasing need for food in Russia, which has required the use of the limited shipping space for that purpose rather than

LEND-LEASE EXPORTS—CUMULATIVE—MARCH 1941 THROUGH JUNE 30, 1943

Millions of Dollars

	United Kingdom	U. S. S. R.	Africa, Middle East and Medi- terranean Area	China, India, Australia, and New Zealand	Other	Total
MUNITIONS Ordnance	125	70 246 522 183 316 56	133 218 249 204 183 17	103 163 196 127 147 12	52 53 188 43 35 17	550 1,054 1,662 926 824 227
Total	1,710	1,393	1,004	748	388	5,243
INDUSTRIAL ITEMS Machinery Metals Petroleum Products Other	260 425 310 223	188 302 15 130	73 110 43 72	78 131 62 65	10 16 5 36	609 984 435 526
Total	1,218	635	298	336	67	2,554
AGRICULTURAL PRODUCTS Foods	1,213 317	373 43	57 4	30 19	27 2	1,700 385
Total	1,530	416	61	49	29	2,085
TOTAL EXPORTS	4,458	2,444	1,363	1,133	484	9,882

The above figures and those in Table 3 do not include (1) articles transferred to foreign countries but used in the United States, such as trainer planes for the instruction of United Nations pilots; (2) some ships which leave the United States under their own power; (3) some goods consigned to United States commanding generals for subsequent transfer to lend-lease countries; (4) materials which have been transferred but not yet exported; (5) goods purchased outside the United States and sent directly to lend-lease countries; and (6) some other items of relatively small amount.

The figures include the value of planes flight delivered which were not included in data presented in previous Reports to Congress.

Table 2

LEND-LEASE EXPORTS—MONTHLY

Millions of Dollars

	United Kingdom	U. S. S. R.	Africa, Middle East and Medi- terranean Area	China, India, Australia and New Zealand	Other	Total
1941 Mar Apr May Jun	1 9 26	••••••	1 5 6	1 1	1 4 1 2	1 6 16 35
Jul	49 46 74 141 107 119		19 14 8 12 10 21	1 5 2 12 18 12	3 2 2 1 2 2	72 67 86 166 137 155
1942 Jan	105 79 150 144 143 209	15 55 97 164 70 110	24 27 25 45 37 35	19 21 45 55 47 36	13 12 12 16 8	176 194 329 424 305 403
Jul	173 152 213 222 199 208	103 150 102 126 191 167	66 58 71 98 95 111	59 56 67 83 56 98	21 18 18 29 16 21	422 434 471 558 557 605
1943 Jan	180 215 311 363 394 426	157 184 202 233 178 139	91 44 105 111 142 82	72 49 67 69 81 101	18 30 69 63 43 44	518 522 754 839 838 792
TOTAL EXPORTS	4,458	2,444	1,363	1,133	484	9,882

(See note to Table 2)

Table 3

for shipping the steel. Some of it consists of barbed wire, the need for which has been reduced as a result of the Soviet Army's shift from the defensive to the offensive along large portions of the fighting front. Another part is being returned to American industry because improvements in the technique of manufacturing munitions have made obsolete certain types of shell steel which had been procured for Russia.

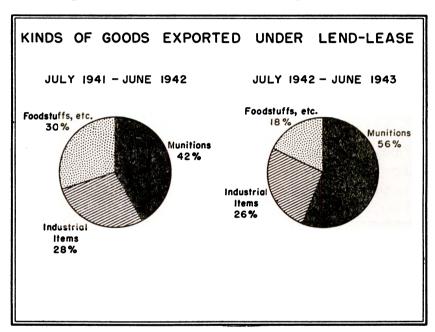


Chart 3

Expansion of U. S. Plant Facilities

In order to manufacture the munitions and supplies urgently needed by our allies, it has been necessary to expand production facilities in the United States and an important part of this expansion has been financed with lend-lease funds. There had been allotted as of June 30, 1943, \$869,500,000 of lend-lease funds for this purpose, of which approximately \$600,000,000 has been expended. In the postwar period these production facilities will be a permanent part of our industrial capacity.

Chapter 2

LEND-LEASE IN THE THEATERS OF WAR

As the United Nations move forward against the Axis with ever-growing strength, munitions, industrial materials and food flow from the United States to those places from which the most damaging blows can be struck at our enemies. Table 4 shows the value of lend-lease goods that were sent to the main theaters of war in 1941, 1942, and in the first 6 months of 1943.

	1941	1942	Jan-June 1943
Africa, Middle East, and Mediterranean Area	\$95,915,000	\$691,954,000	\$575,084,000
	545,000	1,349,170,000	1,093,892,000
	572,620,000	1,997,328,000	1,887,951,000
	52,218,000	640,711,000	440,010,000
	19,605,000	198,969,000	265,531,000
	740,903,000	4,878,132,000	4,262,468,000

Table 4

AFRICA, MIDDLE EAST, AND MEDITERRANEAN AREA

Lend-lease shipments to Africa, the Middle East, and the Mediterranean Area through June 30, 1943, totalled \$1,363,000,000. As shown by Table 5, nearly three-fourths of the shipments have consisted of munitions. This table does not,

however, include munitions consigned to the American commanding generals in this area for transfer to the armed forces of lend-lease countries. The value of such goods consigned to June 30, 1943, amounted to \$102,518,000 additional.

	1941	1942	Jan-June 1943
Ordnance and Ammunition	\$33,267,000 2,022,000 30,573,000 10,758,000 1,820,000 14,683,000 2,792,000 95,915,000	\$173,619,000 114,283,000 48,408,000 116,289,000 10,794,000 194,138,000 34,423,000	\$144,163,000 133,002,000 125,362,000 55,659,000 4,530,000 88,702,000 23,666,000 575,084,000

Table 5

Military Aid

Lend-lease aid to this area has been principally for use in two campaigns. The first, which was designed to expel the Axis forces from North Africa, ended successfully on May 8, 1943, with the surrender in Tunisia. The second, which began on July 10, 1943, with the invasion of Sicily, will conclude only with the unconditional surrender of Italy and Germany.

Both of these operations have been in every sense a united military effort. The forces of many nations—the United Kingdom, Australia, India, New Zealand, South Africa, Poland, France, and the United States—participated in the North African campaign and lend-lease materials played their part. The British Eighth and First Armies were partially equipped with lend-lease supplies, as were the soldiers commanded by General Giraud as well as the Fighting French who fought their way north from Lake Chad in the French Sudan. Equally vital to the campaign were the docks, naval facilities, supply bases, air ferry routes and repair bases developed in the Middle East with the aid of lend-lease funds.

Though British, Canadian and American troops have played the major roles in the opening phase of the second campaign, the invasion of Sicily, forces of other United Nations, equipped in part with lend-lease weapons, will play an increasingly important role in the Mediterranean area. Greek forces have already participated—units of the Greek Navy helped to prepare the way for the invasion of Sicily and the Greek Air Force has been bombing the island of Crete.

In accordance with our announced policy of supplying weapons to the peoples of territories liberated from Axis control, a French army of over 300,000 men recruited in North and West Africa and supplied with lend-lease equipment will soon be added to the United Nations forces hammering at the Axis' European fortress. Several divisions have already been equipped with new weapons and are now being trained in their use. French fliers have been brought to this country, where they will be trained in the use of American planes and furnished lend-lease planes with which to fight the Axis.

Shipments to South Africa have been primarily military equipment for the forces of the Union of South Africa, some of which have been fighting with the British Eighth Army. Approximately one-half of the military shipments consisted of planes for the South African air force. The remainder included guns, bombs and ammunition, and tanks and other military vehicles. The nonmilitary shipments comprised equipment and materials for South African war industries.

Civilian Supplies for French North and West Africa

When the American and British armies landed in North Africa in November 1942, they found a country in which wheat, meat, and fabricated goods were in short supply. The Nazis had permitted imports of some of the goods normally brought from the continent, such as cotton textiles for clothing, leather for shoes, fabricated goods, and certain foods. With the landing of American and British troops, imports from Europe ceased abruptly. The regular commer-

cial channels of distribution were disrupted and importations from the United Nations were essential.

Shipments of civilian goods to North Africa began in December 1942, when the British diverted a large convoy originally destined for Malta. Subsequently, it was agreed that the United States should supply approximately 30,000 tons of civilian goods a month in addition to petroleum products and coal. The British agreed to provide 82,500 tons of coal per month and other products that might be available from the British Empire.

Arrangements were made with the French authorities to pay the United States for the civilian goods, and it is expected that payments will be equivalent to the cost of civilian supplies shipped plus ocean freight. The distribution of the supplies was planned so as to minimize profiteering by local merchants, and to maintain retail prices at levels prevailing on November 8, 1942.

To coordinate the economic activities of the United States and Britain, General Eisenhower created the North African Economic Board, which is constituted with British and American representatives as follows:

- (1) The Import Division, principally staffed by representatives of the Office of Lend-Lease Administration,
- (2) The Procurement and Development Division, staffed by representatives of the Office of Economic Warfare,
- (3) The Financial Control Division, principally staffed by representatives of the Treasury Department,
- (4) The Coal Division, principally staffed by British experts, and
- (5) The Relief and Welfare Division, principally staffed by representatives of the Office of Foreign Relief and Rehabilitation Operations.

The Lend-Lease Mission to North Africa, operating as the Import Division of the North African Economic Board, has supervised the distribution of most of the civilian goods.

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Lend-lease supplies, consisting principally of milk for children and some of the food and clothing for the inhabitants of Tunisian cities, have been distributed free of charge by the Office of Foreign Relief and Rehabilitation Operations, working as the Relief and Welfare Division of the North African Economic Board.

Up to June 30, 1943, the United States had shipped to North Africa some 190,000 tons of civilian goods, valued at approximately \$48,000,000. These have included such foods as flour, milk, sugar, wheat, and tea; seeds, soap, matches, cotton piece goods, clothing, spare parts for agricultural machinery and motor vehicles, and some materials to repair damaged utilities and buildings. We have already received from the French on account for these goods \$25,000,000, and expect shortly to receive payment for the balance.

The policy of supplying civilian goods to these areas has produced favorable results. Vigorous efforts have been made to bring about a fair and equitable distribution of supplies, thereby discouraging hoarding and black market activities. Critical metals, concealed from the Germans, have come out of hiding and been made available to the United Nations. With the help of supplies from the United States and Great Britain, North Africa is being gradually restored to a state where it will be self-sufficient in food and also produce a surplus for export. Negotiations are now under way between the North African Economic Board and the French authorities to supply a part of the food needs of our military forces stationed there and in contiguous areas from North African production. The volume of such supplies will depend upon the size of the harvest and the requirements of the civilian population.

Substantially the same course has been followed in French West Africa, which includes not only the strategic Dakar area but is one of the most important edible oil producing regions in the world. Almost 20,000 tons of civilian supplies have thus far been shipped to French West Africa. These have consisted principally of cotton piece goods and rice substitutes.

Negotiations for payment for these civilian supplies are now being carried on with the French officials in Dakar and Algiers.

U. S. S. R.

Lend-lease shipments to the U. S. S. R. through June 30, 1943, totalled \$2,444,000,000. Aid has been supplied to the U. S. S. R. under agreements known as protocols by which we have agreed to make available specified quantities of weapons and supplies during specified periods of time. The first protocol, signed October 1, 1941, covered the nine-month period to June 30, 1942. The second covered the period from July 1, 1942, to June 30, 1943. The third protocol, which will cover the period from July 1, 1943, to June 30, 1944, is now under negotiation. Without waiting for this protocol to be signed, we have continued to supply lend-lease aid. In July the tonnage of goods shipped to Russia was at a high level and in August the volume is expected to be the highest for any month since the program began.

Table 6 shows lend-lease shipments to the U. S. S. R. by categories through June, 1943.

About 57 percent of the goods sent to the U. S. S. R. since the inception of the first protocol have been munitions such as airplanes, tanks and guns. We have sent more lend-lease

	1941 J	1942	Jan-June 1943
Ordnance and Ammunition Aircraft and Parts Tanks and Parts Motor Vehicles and Parts Watercraft Industrial Items Foodstuffs, etc	35,000 435,000	\$213,918,000 300,641,000 176,804,000 149,092,000 11,020,000 312,881,000 184,814,000	\$102,279,000 220,577,000 6,504,000 166,824,000 44,886,000 321,825,000 230,997,000
TOTAL	545,000	1,349,170,000	1,093,892,000

Table 6

planes there than to any other country. Large quantities of supplies for her transportation and communication systems have been sent to aid the movement of the weapons of war over vast distances to her armies at the front. We have shipped to the Soviet Union more than 100,000 tons of rails and accessories. Quantities of automatic block signal system equipment for the U. S. S. R. are in production. We have shipped more than 150,000 motor vehicles, over 600,000 miles of telephone wire and approximately 190,000 field telephones.

Shipments to the U. S. S. R. have also included thousands of tons of raw materials and machinery to help replace the output of war plants in areas now occupied by the Nazis. Included in these shipments have been aluminum, copper, steel and large amounts of chemicals and explosives used in the manufacture of ammunition and bombs. We have purchased a few existing plants in this country and shipped them to Russia with machinery for new ones as well.

More than one-fourth of the tonnage of goods exported to the U. S. S. R. has been food to maintain the fighting strength of the Red Army. We have shipped more than 1,300,000 tons of food, about one million under the second protocol alone. Elsewhere in this report the Soviet need for lend-lease food is described in more detail.

UNITED KINGDOM

Lend-lease exports to the United Kingdom through June 30, 1943, totalled \$4,458,000,000. In addition, shipments of munitions and other goods to the United Kingdom that were purchased for cash in the same period totalled \$1,450,000,000. Of the lend-lease exports to the United Kingdom 42 percent were shipped in the first six months of 1943, as shown by Table 7.

The United Kingdom has received approximately 45 percent of all lend-lease exports, but only 33 percent of lend-lease munitions. Lend-lease shipments of industrial materials to the United Kingdom are designed to help keep her arsenals, plane and tank factories, and shipyards in operation so that they may supply the United Nations forces. Approximately 27 percent

	1941	1942	Jan-June 1943
Ordnance and Ammunition Aircraft and Parts Tanks and Parts Motor Vehicles and Parts Watercraft Industrial Items Foodstuffs, etc TOTAL	\$30,761,000 13,330,000 10,521,000 14,558,000 6,003,000 165,357,000 332,090,000 572,620,000	\$250,400,000 267,762,000 35,998,000 61,950,000 45,906,000 604,218,000 731,094,000	\$284,806,000 225,719,000 322,360,000 66,946,000 73,011,000 448,574,000 466,535,000

Table 7

of the shipments to the United Kingdom have been sent for this purpose. About 34 percent of lend-lease exports to Great Britain has consisted of foodstuffs. In Chapter 3 the British need for our food is discussed in more detail.

The tools, machinery, and raw materials we send to the United Kingdom are needed in the operations of war plants; the petroleum products are required by the R. A. F. and the British Navy, as well as to maintain her industries. The output of British war materials is tremendous and until the first quarter of 1942 was larger than the United States output. While a large proportion of this production is retained for use by the United Kingdom forces, part is furnished to Russia and part supplied to British Empire forces fighting the Axis in the Mediterranean Area, India, and the Southwest Pacific. The amounts shipped abroad are indispensable to the United Nations forces.

To help get lend-lease supplies to the United Kingdom and deliver the output of her war industries to United Nations forces fighting in other theaters, we have supplied approximately \$1,000,000,000 of shipping services and ship repairs to the British.

Shortly after Pearl Harbor it was agreed between the British and ourselves that we would construct most of the merchant

ships needed by the United Nations. As a result, the United States undertook the greatest shipbuilding program ever attempted by any nation. The size of our merchant fleet has increased 250 percent since Pearl Harbor and is growing at the rate of five new ships every 24 hours. In 1942 we built 746 merchant ships; in the first seven months of 1943 we built 1,023. Production of ships is proceeding at such a pace that we have had difficulty in supplying adequately trained and skilled crews to operate them.

While our merchant fleet has been growing, that of Britain has been dwindling due to sinkings and to the fact that she has not built many replacements but has instead relied on us for production of merchant ships. The British, therefore, have a reserve of experienced seamen. To utilize the services of these men, we will charter to the United Kingdom about 15 new ships a month for the next 10 months. These ships are being chartered only for the duration of the war; title will remain with the United States Government, and the uses to which they may be put will be determined by the Combined Shipping Adjustment Board.

CHINA, INDIA, AUSTRALIA, AND NEW ZEALAND

Total lend-lease exports to these areas from March 11, 1941, to June 30, 1943, have been \$1,133,000,000. As shown by

	1941	1942	Jan-June 1943
Ordnance and Ammunition	\$9,560,000 7,995,000 1,934,000 17,856,000 68,000 11,523,000 3,282,000	\$165,106,000 96,779,000 100,264,000 75,028,000 2,849,000 170,156,000 30,529,000	\$91,183,000 91,370,000 24,296,000 54,298,000 9,154,000 154,239,000 15,470,000
TOTAL	52,218,000	640,711,000	440,010,000

Table 8

Table 8, about 61 percent of these shipments were made in 1941 and 1942, and 39 percent in the first six months of 1943.

China and India

Approximately 70 percent of lend-lease shipments to China and India have been munitions. Those shipped to India have equipped the Indian Army with specialized instruments of war which India's substantial armament industry is not able to produce. Those shipped to China have included airplanes, critical tools and materials to keep her airplanes flying, communications equipment, and spare parts for trucks. Airplanes lend-leased to China played their part in the June victory of the Chinese Army on the Ichang front.

The amount of aid supplied to China has been restricted by transportation difficulties. Since the closing of the Burma Road, shipments have moved principally by air transportation. Constant efforts are being made to develop new supply routes. In the meantime, preparations are being made in collaboration with the British for the time when these routes are opened. New equipment made available by lend-lease has been issued to the Chinese troops who retreated into India after the fall of Burma, and they are being trained by United States Army officers in the use of this equipment. A program to train Chinese pilots, mechanics, and other technicians in India and in the United States was launched some time ago and is constantly expanding.

Further, steps have been taken to make India a great supply base for operations against the Japanese. Stockpiles of material for China are being established there in increasing quantities as transportation facilities become available. Raw materials and machine tools are also being sent so that India's own production of munitions of war may be increased. Aircraft repair facilities are being equipped with lend-lease tools. Materials are also going to India to maintain and expand her port facilities and transportation and communications systems

so that munitions and essential supplies can be transported quickly where they are needed, including strategic materials for the United States.

Australia and New Zealand

Approximately 61 percent of lend-lease shipments to Australia and New Zealand have been munitions, including airplanes, tanks, landing boats, guns, and ammunition. These items are being used by Australian and New Zealand forces fighting beside the Americans in New Guinea, the Solomons and other parts of the Southwest Pacific. They have played an important part in the recent victories in that area.

While munitions have made up the largest proportion of lend-lease aid to Australia and New Zealand, shipments of other items have been extremely important. These two countries are fast becoming tremendous supply bases for operations against the Japanese. Increasing emphasis is being placed upon the development of their natural resources, arsenals, and transportation systems. Thirty-five percent of the goods shipped to Australia and New Zealand from March 11, 1941, to June 30, 1943, has consisted of machinery, tools, and raw materials.

Plans are also under way to expand food output in Australia and New Zealand, which have always produced exportable surpluses of grains, meats, and dairy products, so that these countries may supply an even greater share of the requirements for the United Nations armed forces in the Southwest Pacific. Emphasis is being placed upon the production of vegetables. Thousands of additional acres have been planted in truck crops. Lend-lease agricultural machinery and seeds have been shipped to facilitate planting, cultivating, and harvesting. In addition, machinery for new canning and dehydrating plants is being lend-leased to both Australia and New Zealand so that these foods may be preserved for transportation to the fighting forces at the front.

This program will of necessity benefit the civilian population of the United States by reducing the quantities of food that

must be shipped to our forces in the Southwest Pacific. An agreement has been reached with the governments of Australia and New Zealand under which a large portion of the output of the canning and dehydrating plants equipped with lend-lease machinery will be allocated to the United Nations forces in that theater of war.

Chapter 3

LEND-LEASE AND FOOD

Food is as essential to victory as are planes, tanks, guns, or ships. It is being shipped to our Allies for use by their armed forces and by their civilians working behind the lines. Lendlease food is going principally to the United Kingdom and the U. S. S. R., which together have received 93 percent of all lend-lease food shipments through June 30, 1943 (see Chart 4). Deliveries are limited principally by our own restricted supplies and by the volume of available shipping space. So critical is the Soviet Union's need that in some instances munitions available for shipment from American ports have been left behind to provide space in the ships for cargoes of food. Exports of food to North Africa have been decreasing, but large amounts of seeds for planting have been sent in order to expand food production and diminish the necessity for further food shipments.

THE NEEDS OF OUR ALLIES

United Kingdom

For almost a century the United Kingdom has had to import a large portion of the food consumed by her population. Prior to the war, she produced only 40 percent of her requirements. By plowing up and planting grasslands, parks, lawns, golf courses and other areas, and by converting her agriculture to a total war economy, she has increased production to 70 percent. The other 30 percent of her needs must, however, be imported. The greater part of this 30 percent continues to come, as before the war, from British dominions and colonies and from South American countries. The food

which the United Kingdom gets as lend-lease aid from the United States represents less than 10 percent of her entire requirements but this percentage is extremely important as it constitutes the margin between having enough so that she can fight effectively and not having enough to carry on.

U. S. S. R.

The Soviet Union's need for lend-lease food also is great. About 40 percent of her most fertile cropland has at one time

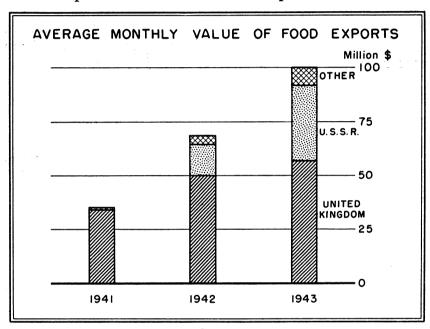


Chart 4

or another been under Nazi control. The Nazis now occupy for the third consecutive growing season one of Russia's richest agricultural regions, the Ukraine. In the summer of 1942, the Nazis also overran her second great agricultural region, the North Caucasus. The resulting shortages of food have been serious. Some Soviet factories could and did move to new locations behind the Urals, but land cannot be moved. Although the U. S. S. R. has made remarkable strides in developing new agricultural regions, she is not producing nearly enough food to satisfy her minimum needs.

To meet Russia's needs, we have shipped hundreds of thousands of tons of wheat, flour, meats, sugar, fats, and oils. While these have been of material assistance to her war effort, they have not been large enough to improve greatly the diet of the civilian population. Russian rations limit civilians to a woefully inadequate diet. Under rationing even the most favored worker is allowed less than 2 pounds of meat per month. No milk whatever is provided in the large population centers for any group except children under six years of age. Butter is seldom available.

Because of Russia's urgent need for food, the composition of shipments has changed—foodstuffs during recent months have constituted a much higher percentage of total exports to the U. S. S. R. than a year ago.

French North and West Africa

French North and West Africa have required small amounts of lend-lease food. When British and American troops landed in North Africa, supplies of foods normally imported, such as milk, sugar and tea, were extremely scarce. Supplies of foods such as wheat, dried fruits and mutton, of which North Africa normally produces exportable surpluses, were inadequate. The Germans had taken away a large percentage of the 1942 harvest. As a result, wheat stocks were an estimated 100,000 tons below the amount necessary to carry the population through the 1942–43 winter.

Foods were shipped to North Africa to tide the civilians over until the 1943 crop could be harvested. With the aid of more than 400,000 pounds of lend-lease seeds, large crops were planted and are already being harvested. Today the flow of food to French North Africa is diminishing. No cereal products have been sent since the harvest in June.

LEND-LEASE AND THE U. S. FOOD SUPPLY

The current domestic food shortages have not been caused to any appreciable extent by lend-lease shipments, which represent a relatively small percentage of our total food supply. In 1942, they amounted to only 6 percent. In 1943, it is likely that we will ship approximately 10 percent.

While lend-lease exports have taken as much as 30 percent of our supply of some foods, for many items in short supply the proportion has been less than 5 percent. For example, from January through June of this year we shipped 45,400,000 pounds of beef and 8,100,000 pounds of butter. While these totals are large, they are unimportant in terms of total available supply. The beef was 1 percent of our supply for that period, an amount equivalent to two-tenths of an ounce per week for each person in the United States. The butter was only 0.7 percent of our production during that period, an amount equivalent to four one-hundredths of an ounce per week for each person in the United States. Table 9 and Chart 5 show the percentages of our total supply of foods shipped to our Allies as lend-lease aid during the first six months of 1943, and the ounces per week per capita.

The domestic food situation must be viewed in the light of present conditions. Members of our armed forces are eating more than they did as civilians. While the average American civilian eats about 3½ pounds per day, the average man in uniform eats about 5¼ pounds. The resulting increased consumption is equivalent to adding four to five million persons to our population. Many Americans who are not in uniform are also eating more than they have ever eaten before. This increased consumption by many civilians is due in part to increased consumer income. It is also due to the diversion of purchasing power to food from other articles that can no longer be purchased.

Exports of food have been relatively smaller during this war than in the comparable period of the first World War. In 1915, the first full year of the last war, our food exports amounted to \$978,000,000. In 1940, the first full year of this war, they were only \$255,000,000. In 1916 and 1917, they amounted to \$1,085,000,000 and \$1,331,000,000, respectively. In 1941 and 1942 our exports of food were \$530,000,000 and \$993,000,000, respectively. In 1918 exports were \$1,990,-

LEND-LEASE FOOD EXPORTS IN RELATION TO SUPPLY AND U. S. POPULATION

	Exports in Percent of Supply		Exports per U. S. Civilian (Ounces per Week)	
	Year	Jan-June	Year	Jan-June
	1942	1943	1942	1943
All Meats Beef and Veal Lamb and Mutton Pork All Milk Products (Fluid Milk	5.0	7.7	2.8	4.7
	0.3	1.0	0.1	0.2
	0.4	15.6	0.01	0.4
	9.7	12.2	2.7	4.1
Equivalent)	3.4	2.2	10.5	6.6
Dry Whole Milk	6.1	15.0	0.01	0.02
Dry Skim Milk	23.0	41.8	0.3	0.6
Condensed and Evaporated Milk Butter	7.2 0.7 23.1 10.0 13.2 22.5 1.7 15.7 0.8 5.0 6.0 0.2 0.4	14.5 0.7 7.9 11.2 14.5 31.4 1.9 20.1 0.8 13.0 8.5 0.2 1.1	0.9 0.04 0.8 1.7 1.8 0.4 0.2 0.5 0.1 1.4 1.2	1.5 0.04 0.2 2.1 2.1 0.6 0.2 0.7 0.1 0.8 0.2 1.1 2.7

Table 9

000,000, an amount somewhat greater than the estimated value of exports this year. During the last war, however, cereals constituted a much larger proportion of food exports than during the present war.

Production of foods in this country has increased substantially in the last twenty-five years. Consequently, the drain on our supply is less, in comparison with 1917 and 1918, than the figures on value of exports would indicate. In 1917 we exported 16.6 percent of our total food supply. The ratio in-

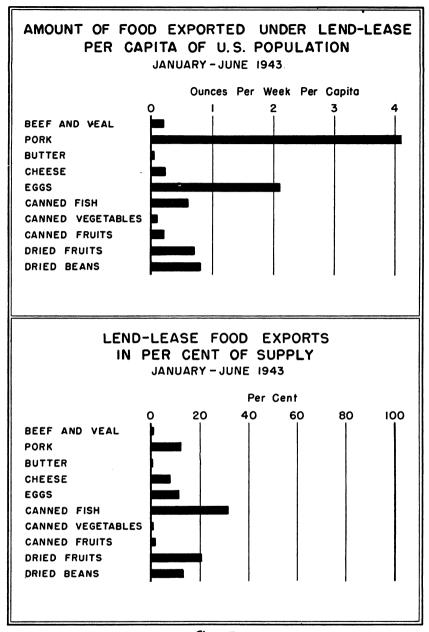


Chart 5

creased to 20.0 percent in 1918 and 24.4 percent in 1919. In contrast, our exports of food were equivalent to 5.5 percent of our total supply in 1941, 8.0 percent in 1942, and it is

estimated that they will be equivalent to about 11 percent of our 1943 supply.

All of the export figures for 1941, 1942, and 1943 include direct purchase exports as well as lend-lease in order to show the total drain on our food supply, and also to make the figures comparable with those for the period of the first World War. None of the figures include food shipments to our armed forces abroad.

THE OUTLOOK FOR THE FUTURE

Allocation of our food supply among competing claimants is made by the War Food Administration. The War Food

RECOMMENDED ALLOCATION OF FOODS FOR U. S. CIVILIANS IN 1943–1944

In Percent of Average Consumption in 1942 and 1935–1939

Commodity .	Recommended 1943–44 allocation as percent of 1942 consumption	Recommend- ed 1943–44 allocation as percent of 1935–39 consumption
All Meats	83.6	90.2
Beef		83.6
Veal		87.6
Lamb and Mutton		62.2
Pork		100.3
Eggs		110.6
Dairy Products:		
Butter	80.5	77.0
Cheese	1	70.6
Condensed Milk		101.4
Evaporated Milk		66.8
Dried Whole Milk	117.6	117.6
Dried Skim Milk		71.1
Canned Fruits and Juices	63.3	62.2
Canned Vegetables		104.2
Dried Beans		97.4
Dried Peas	138.4	104.9
		1

Table 10

Administration has tentatively allocated food produced from July 1, 1943, to June 30, 1944, in the following manner:

Perc	ent
To the civilian population	75
To the armed forces	13
To the Lend-Lease Administration for ship-	
ment to our allies	10
To U. S. territories and special needs	2

While these allocations mean that civilians will receive less in the current year than they had in 1942–43, they will on the average get as much food as was available annually in the years 1935–39. Table 10 shows the amount of food recommended for allocation for civilian use in the year 1943–44 as a percentage of our average annual consumption from 1935 through 1939 and as a percentage of 1942 consumption.

The demands upon our food supplies are likely to increase. Our allies will continue to need lend-lease food until the end of hostilities. The needs of other parts of the world will be considerable after the war. The population of many areas liberated from Axis control will be in an undernourished, if not starved, condition upon liberation. It will be some time after hostilities cease before European and Asiatic agricultural areas get back into normal production.

APPENDICES

Appendix I

LEND-LEASE ACT

Further to promote the defense of the United States, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "An Act to Promote the Defense of the United States."

Section 2.

As used in this Act-

- (a) The term "defense article" means-
 - (1) Any weapon, munition, aircraft, vessel, or boat;
 - (2) Any machinery, facility, tool, material, or supply necessary for the manufacture, production, processing, repair, servicing, or operation of any article described in this subsection;
 - (3) Any component material or part of or equipment for any article described in this subsection;
 - (4) Any agricultural, industrial or other commodity or article for defense.

Such term "defense article" includes any article described in this subsection manufactured or procured pursuant to section 3, or to which the United States or any foreign government has or hereafter acquires title, possession, or control.

(b) The term "defense information" means any plan, specification, design, prototype, or information pertaining to any defense article.

Section 3.

- (a) Notwithstanding the provisions of any other law, the President may, from time to time, when he deems it in the interest of national defense, authorize the Secretary of War, the Secretary of the Navy, or the head of any other department or agency of the Government—
 - (1) To manufacture in arsenals, factories, and shippards under their jurisdiction, or otherwise procure, to the extent to which funds are made available therefor, or contracts are authorized from time to time by the Congress, or both, any defense article for the government of any country whose defense the President deems vital to the defense of the United States.

- (2) To sell, transfer title to, exchange, lease, lend, or otherwise dispose of, to any such government any defense article, but no defense article not manufactured or procured under paragraph (1) shall in any way be disposed of under this paragraph, except after consultation with the Chief of Staff of the Army or the Chief of Naval Operations of the Navy, or both. The value of defense articles disposed of in any way under authority of this paragraph, and procured from funds heretofore appropriated, shall not exceed \$1,300,000,000. The value of such defense articles shall be determined by the head of the department or agency concerned or such other department, agency, or officer as shall be designated in the manner provided in the rules and regulations issued hereunder. Defense articles procured from funds hereafter appropriated to any department or agency of the Government, other than from funds authorized to be appropriated under this Act, shall not be disposed of in any way under authority of this paragraph except to the extent hereafter authorized by the Congress in the Acts appropriating such funds or otherwise.
- (3) To test, inspect, prove, repair, outfit, recondition, or otherwise to place in good working order, to the extent to which funds are made available therefor, or contracts are authorized from time to time by the Congress or both, any defense article for any such government, or to procure any or all such services by private contract.

(4) To communicate to any such government any defense information, pertaining to any defense article furnished to such government under paragraph (2) of this subsection.

(5) To release for export any defense article disposed of in any way under this subsection to any such government.

- (b) The terms and conditions upon which any such foreign government receives any aid authorized under subsection (a) shall be those which the President deems satisfactory, and the benefit to the United States may be payment or repayment in kind or property, or any other direct or indirect benefit which the President deems satisfactory.
- (c) After June 30, 1943, or after the passage of a concurrent resolution by the two Houses before June 30, 1943, which declares that the powers conferred by or pursuant to subsection (a) are no longer necessary to promote the defense of the United States, neither the President nor the head of any department or agency shall exercise any of the powers conferred by or pursuant to subsection (a); except that until July 1, 1946, any of such powers may be exercised to the extent necessary to carry out a contract or agreement with such a foreign government made before July 1, 1943, or before the passage of such concurrent resolution, whichever is the earlier.

(d) Nothing in this Act shall be construed to authorize or to permit the authorization of convoying vessels by naval vessels of the United States.

(e) Nothing in this Act shall be construed to authorize or to permit the authorization of the entry of any American vessel into a combat area in violation of section 3 of the Neutrality Act of 1939.

Section 4.

All contracts or agreements made for the disposition of any defense article or defense information pursuant to section 3 shall contain a clause by which the foreign government undertakes that it will not, without the consent of the President, transfer title to or possession of such defense article or defense information by gift, sale, or otherwise, or permit its use by anyone not an officer, employee, or agent of such foreign government.

Section 5.

- (a) The Secretary of War, the Secretary of the Navy, or the head of any other department or agency of the Government involved shall, when any such defense article or defense information is exported, immediately inform the department or agency designated by the President to administer section 6 of the Act of July 2, 1940 (54 Stat. 714), of the quantities, character, value, terms of disposition, and destination of the article and information so exported.
- (b) The President from time to time, but not less frequently than once every ninety days, shall transmit to the Congress a report of operations under this Act except such information as he deems incompatible with the public interest to disclose. Reports provided for under this subsection shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session.

Section 6.

- (a) There is hereby authorized to be appropriated from time to time, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to carry out the provisions and accomplish the purposes of this Act.
- (b) All money and all property which is converted into money received under section 3 from any government shall, with the approval of the Director of the Budget, revert to the respective appropriation or appropriations out of which funds were expended with respect to the defense article or defense information for which such consideration is received, and shall be available for expenditure for the purpose for which such expended funds were appropriated by law, during the fiscal year in which such funds are received and the ensuing fiscal year; but in no event shall any funds so received be available for expenditure after June 30, 1946.

Section 7.

The Secretary of War, the Secretary of the Navy, and the head of the department or agency shall in all contracts or agreements for the disposition of any defense article or defense information fully protect the rights of all citizens of the United States who have patent rights in and to any such article or information which is hereby authorized to be disposed of and the payments collected for royalties on such patents shall be paid to the owner and holders of such patents.

Section 8.

The Secretaries of War and of the Navy are hereby authorized to purchase or otherwise acquire arms, ammunition, and implements of war produced within the jurisdiction of any country to which section 3 is applicable, whenever the President deems such purchase or acquisition to be necessary in the interests of the defense of the United States.

Section 9.

The President may, from time to time, promulgate such rules and regulations as may be necessary and proper to carry out any of the provisions of this Act; and he may exercise any power or authority conferred on him by this Act through such department, agency, or officer as he shall direct.

Section 10.

Nothing in this Act shall be construed to change existing law relating to the use of the land and naval forces of the United States, except insofar as such use relates to the manufacture, procurement, and repair of defense articles, the communication of information and other noncombatant purposes enumerated in this Act.

Section 11.

If any provision of this Act or the application of such provision to any circumstance shall be held invalid, the validity of the remainder of the Act and the applicability of such provision to other circumstances shall not be affected thereby.

APPROVED, MARCH 11, 1941.



On March 11, 1943, after affirmative votes of 407-6 in the House of Representatives and 82-0 in the Senate, the President signed the act extending the Lend-Lease Act for 1 year.

Appendix II

FOURTH LEND-LEASE APPROPRIATION ACT

Making supplemental appropriations to carry out the provisions of an Act to promote the defense of the United States, approved March 11, 1941, as amended, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there are hereby appropriated, out of any money in the Treasury not otherwise appropriated, to enable the President, through such departments or agencies of the Government as he may designate, further to carry out the provisions of an Act to promote the defense of the United States, approved March 11, 1941, as amended, and for each and every purpose incident to or necessary therefor, the following sums for the following respective purposes:

(a) For the procurement, by manufacture or otherwise, of defense articles, information, and services, for the government of any country whose defense the President deems vital to the defense of the United States, and the disposition thereof, including all necessary expenses in connection therewith,

as follows:

Vessels, ships, boats, and other watercraft, including the hire or other temporary use thereof, and equipage, supplies, materials, spare parts, and accessories, \$1,552,659,000.

Agricultural, industrial, and other commodities and articles, \$4,452,-

623,000.

(b) For testing, inspecting, proving, repairing, outfitting, reconditioning, or otherwise placing in good working order any defense articles for the government of any country whose defense the President deems vital to the defense of the United States, including services and expenses in connection therewith, \$259,348,000.

(c) For administrative expenses, \$8,999,000: Provided, That transfers may be made from this appropriation to the consolidated appropriation for "Necessary services and expenses" to the extent necessary to reimburse such appropriation for transfers made pursuant to the Urgent Deficiency Appropriation Act, 1943.

(d) In all, \$6,273,629,000, to be available until June 30, 1944.

(e) Each of the foregoing appropriations shall be additional to, and consolidated with, the appropriations for the same purposes, contained in the same respective categories of appropriation in the Defense Aid Supplemental Appropriation Act, 1941, the Defense Aid Supplemental Appropriation Act, 1942, and the Second Defense Aid Supplemental Appropriation Act, 1942, and the appropriations contained in the foregoing Acts, are

hereby continued and shall be available until June 30, 1944: Provided, That with the exception of the appropriation for "Administrative expenses", not to exceed 20 per centum of any of such consolidated appropriations may be transferred by the President to any other of such consolidated appropriations, but no such appropriation shall be increased more than 30 per centum thereby: Provided further, That notwithstanding the foregoing proviso (1) balances, unobligated as of April 30, 1943, and balances subsequently released from obligation, of appropriations contained in the foregoing Acts for "Ordnance and ordnance stores, supplies, spare parts, and materials, including armor and ammunition and components thereof", may be transferred by the President to and consolidated with the appropriation provided above for "Agricultural, industrial, and other commodities and articles", and (2) balances, unobligated as of April 30, 1943, and balances subsequently released from obligation, of appropriations contained in the foregoing Acts for "Necessary services and expenses" may be transferred by the President to and consolidated with any of the appropriations provided above, except the appropriation for "Administrative expenses".

Section 2.

Any defense article, information, or service produced from funds appropriated by this Act or prior Acts appropriating funds to the President for the purpose of carrying out the provisions of said Act of March 11, 1941, as amended, shall be retained by or transferred to and for the use of such department or agency of the United States as the President may determine, in lieu of being disposed of to a foreign government, whenever in the judgment of the President the defense of the United States will be best served thereby: *Provided further*, That none of the funds appropriated in this Act shall be used for the payment of any subsidy on agricultural products produced in the continental United States.

Section 3.

This Act may be cited as the "Defense Aid Supplemental Appropriation Act, 1943".

Approved June 14, 1943.

Appendix III

AMOUNTS OF LEND-LEASE AID AUTHORIZED

The amount of lend-lease aid that may be provided under the various acts is summarized as follows:

Lend-Lease	Appropriations to	the President
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First Lend-Lease Appropriation	\$7,000,000,000
Second Lend-Lease Appropriation	5,985,000,000
Third Lend-Lease Appropriation (Fifth Supp. 1942)	5,425,000,000
Fourth Lend-Lease Appropriation	6,273,629,000
Total	24,683,629,000

Transfers Authorized From Other Appropriations

War Department—Third Supplemental, 1942	\$2,000,000,000
War Department—Fourth Supplemental, 1942	4,000,000,000
War Department—Fifth Supplemental, 1942	11,250,000,000
War Department—Sixth Supplemental, 1942	2,220,000,000
War Department—Military Appropriation Act, 1943	12,700,000,000
Navy Department—Second Supplemental, 1943	3,000,000,000
Departments other than War—Third Supplemental, 1942	800,000,000

Note.—In addition to the foregoing, Congress has with certain limitations authorized the leasing of ships of the Navy and merchant ships constructed with funds appropriated to the Maritime Commission without any numerical limitation as to the dollar value or the number of such ships which may be so leased. (See for example, Public Law 1, 78th Congress, approved February 19, 1943, and Public Law 11, 78th Congress, approved March 18, 1943.)

Appendix IV STATUS OF NATIONS

Lend-Lease Countries and United Nations

Country	Declared Eligible for Lend-Lease Aid	Lend-Lease Agreement Signed	Reciprocal Lend-Lease Agreement Signed	United Nations Declaration Signed
Argentina Australia Belgium Bolivia Brazil Canada Chile China Colombia Costa Rica Cuba Czechoslovakia Dominican Rep Ecuador Egypt El Salvador Ethiopia Fighting France French North & West Africa Greece Guatemala Haiti Honduras Iceland India	May 6, 1941 Nov. 11, 1941 June 13, 1941 May 6, 1941 Nov. 11, 1941 May 6, 1941 Nov. 13, 1942 Nov. 11, 1941 Nov. 13, 1942 Mar. 11, 1941 May 6, 1941 Nov. 11, 1941	Feb. 23, 1942 June 16, 1942 Dec. 6, 1941 Mar. 3, 1942 Mar. 2, 1943 June 2, 1942 Mar. 17, 1942 Jan. 16, 1942 Nov. 7, 1941 July 11, 1942 Aug. 2, 1941 Apr. 6, 1942 Feb. 2, 1942 Aug. 9, 1943 July 10, 1942 Nov. 16, 1942 Sept. 16, 1941 Feb. 28, 1942 Nov. 21, 1941	Sept. 3, 1942 Jan. 30, 1943	Jan. 1, 1942 Oct. 9, 1942
Iran Iraq Liberia	Mar. 10, 1942 May 1, 1942 Mar. 10, 1942	June 8, 1943		0
Luxembourg Mexico				Jan. 1, 1942
		41		(OVER)

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Lend-Lease Countries and United Nations—Continued

Country	Declared Eligible for Lend-Lease Aid	Lend-Lease Agreement Signed	Reciprocal Lend-Lease Agreement Signed	United Nations Declaration Signed
Netherlands New Zealand Nicaragua Norway Panama Paraguay Peru	Nov. 11, 1941 May 6, 1941	July 8, 1942 Feb. 23, 1942 Oct. 16, 1941 July 11, 1942 Sept. 20, 1941 Mar. 11, 1942	June 14, 1943 Sept. 3, 1942	Jan. 1, 1942
Philippines Poland		July 1, 1942		Jan. 1, 1942
Saudi Arabia South Africa Turkey	Nov. 11, 1941			Jan. 1, 1942
United KingdomUnited StatesU. S. S. RUruguayVenezuela	Mar. 11, 1941 Nov. 7, 1941 May 6, 1941 May 6, 1941	Feb. 23, 1942 June 11, 1942 Jan. 13, 1942 Mar. 18, 1942	Sept. 3, 1942	Jan. 1, 1942 Jan. 1, 1942 Jan. 1, 1942
Yugoslavia	Nov. 11, 1941	July 24, 1942		Jan. 1, 1942

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TWELFTH REPORT TO CONGRESS ON LEND-LEASE OPERATIONS

Reverse Lend-Lease Aid from the British Commonwealth of Nations

TWELFTH REPORT TO CONGRESS ON LEND-LEASE OPERATIONS

Reverse Lend-Lease Aid from the British Commonwealth of Nations

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"The President from time to time, but not less frequently than once every ninety days, shall transmit to the Congress a report of operations under this Act except such information as he deems incompatible with the public interest to disclose."

[From Section 5, subsection b of "An Act to Promote the Defense of the United States" (Public Law No. 11, 77th Congress, 1st Session).]

TO THE CONGRESS OF THE UNITED STATES OF AMERICA:

Since the enactment of the Lend-Lease Act in March of 1941, I have transmitted to the Congress eleven reports describing the lend-lease aid which has been furnished by the United States. These reports have also included information with respect to the types and quantities of reverse lend-lease aid provided to the United States by the various lend-lease countries. While a complete account of the reverse lend-lease aid which we have received is not yet available, the statements recently received from the Governments of the United Kingdom, Australia and New Zealand and from our Army make it possible for me to report to you at this time regarding a part of the expenditures made by the British Commonwealth of Nations for reverse lend-lease aid to the United States.

The overwhelming benefit which the United States has received from its lend-lease program has, of course, been the pooling of resources and the combined effort of the United Nations against the Axis countries. Each of the United Nations has contributed. There is, of course, no physical or financial standard of value by which we can measure the military contribution to the war on land or sea or in the air which has been made by our allies or ourselves. One thing is clear: by the help which our friends and allies have given us, and by the help which we have given them in the common cause, we have not only made progress in the war, but we have saved the lives of many of our own boys as well as those of our allies.

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The Master Agreements entered into with Great Britain, the Soviet Union, China and other United Nations receiving lend-lease aid establish the principles which govern the lend-lease relationship. The other United Nations, under the Master Lend-Lease Agreements, have agreed to contribute to the defense of the United States by providing as reverse lend-lease aid all articles, services, facilities or information which they can furnish. Under these agreements, all lend-lease supplies, such as, for example, merchant ships or cargo planes, which are not used up in the war, can be required by the President to be returned at the end of the present emergency. Article VII of the Master Agreements entered into with the United Nations receiving lend-lease aid provides that they will join with the United States in working toward some of the economic conditions which are a prerequisite to a secure peace.

The Master Lend-Lease Agreements do not determine the final settlement, but leave that for determination at some future date.

As conditions have permitted, our allies have expanded the scope and nature of their reverse lend-lease aid.

During the past summer, the United Kingdom agreed to extend reverse lend-lease aid to include not only goods, services and information for our armed forces, but also raw materials, commodities and foodstuffs hitherto purchased, for export, in the United Kingdom and the British Colonies by or on behalf of United States Government agencies. Discussions on the administration and procedure for the handling of the contracts, transfers and other details are now going forward.

This plan will make available to the United States, under reverse lend-lease and without payment, such materials and foodstuffs as rubber from Ceylon, Trinidad, British Guiana and British Honduras, sisal and pyrethrum from British East Africa, asbestos and chrome from Southern Rhodesia, cocoa from British West Africa, tea and coconut oil from Ceylon, and benzol and tar acids from the United Kingdom.

British shipping for these raw materials and foodstuffs from all parts of the British Commonwealth will also be made available under reverse lend-lease.

Discussions are also under way with the other Governments

of the British Commonwealth looking toward a like arrangement for the provision of materials and foodstuffs as reverse lend-lease aid.

As of June 30, 1943, the British Commonwealth of Nations reported that expenditures of about \$1,171,000,000 had been made for reverse lend-lease aid. The United Kingdom has expended about \$871,000,000 of this amount; and Australia, New Zealand and India have expended approximately \$300,000,000. Based upon estimates for the first six months of this year, expenditures by the British Commonwealth for reverse lend-lease aid to the United States are now at an annual rate of about \$1,250,000,000. This does not take into account the anticipated exports of raw materials, commodities, and foodstuffs for the account of the United States.

The data necessary for even an incomplete accounting of the monetary expenditures by the British Commonwealth for reverse lend-lease assistance to the United States have been gathered in the face of difficulties. British aid is rendered to the armed forces of the United States all over the world. Usually it is under conditions very different from those surrounding lend-lease from the United States, which flows from a central source. Many supplies and services have been made available by the British to United States armed forces in North Africa, Sicily and elsewhere for which no report has yet been received.

The figures set forth in this report include expenditures made by the British Commonwealth for newly constructed barracks, military airports, hospitals and other military facilities for our armed forces. They do not include such facilities made available to our armed forces where no out-of-pocket expenditures have been made for their construction since our entry into the war. These British expenditures were from appropriated funds which required financing either through taxation or borrowing. They are comparable to the expenditures made by the United States from appropriations for lend-lease purposes which include funds for capital installations in this country, such as munitions plants, shipyards and other facilities. It has not yet been determined how such lend-lease or reverse lend-lease expenditures will be entered or

treated in the final settlement under the lend-lease agreements. They will, of course, be considered when the final settlement is made. The Master Agreement provides that in the final determination of the benefits to be provided to the United States, "full cognizance shall be taken of all property, services, information, facilities, or other benefits or considerations provided by the Government of the United Kingdom subsequent to March 11, 1941, and accepted or acknowledged by the President on behalf of the United States of America."

The Governments of the British Commonwealth have submitted their statement of expenditures for the reverse lendlease aid covered in this report in pounds. To make these figures more intelligible to the American people, these expenditures have been translated into dollars at the official exchange rates. This may be misleading because the rate of exchange used cannot, especially under war conditions, always reflect comparable values in terms of purchasing power, man-hours of work or materials. But in spite of the misconception which may result from translating the pound expenditure figures into dollars at the official rates of exchange, I think it is desirable to provide the Congress and the people of this country with the best available indication as to the expenditures made by the British Commonwealth for reverse lendlease aid.

Exclusive of the expenditures for supplies transferred in Colonial theatres of war, American forces have received aid through reverse lend-lease channels for which the United Kingdom made expenditures of \$871,000,000 as of June 30, 1943 as follows:

Goods and services	\$331,000,000
Shipping	169,000,000
Airports, barracks, hospitals and other con-	
struction	371,000,000
Total	871,000,000

We are all familiar with the role which the Eighth Air Force has played, in collaboration with the Royal Air Force, in preparing the way for the invasion of Europe. It is not as widely known that the operation of reverse lend-lease has made contributions to the outstanding performance of our air forces based in the United Kingdom.

Under reverse lend-lease, the British have provided our bomber and fighter commands with many necessary items. Specially heated winter flying clothing to protect bomber crews from the intense cold suffered at high altitudes was supplied by the British to our air forces. When certain United States fighter gun sights proved less effective than the sights employed by British fighters, the Royal Air Force provided a substantial number of British-type sights for immediate installation. American bombers have been equipped by the British with photographic equipment effective in obtaining photographs of the target during the bomb run. The British have also provided facilities for the development and production of a new type of protective body armor designed by our medical authorities.

A variety of other aid has also been provided for our air forces by the United Kingdom. Mobile repair shops located throughout the United Kingdom recondition American bombers forced to make crash landings. A one-man dinghy, developed by the British for parachute landings at sea, provides pilots of American planes with a one-man floating raft. Specialized British radio equipment has been installed in American planes which has given greater safety to our bomber crews, and has improved the effectiveness of our bombing missions. For purposes of recognition training, the Royal Air Force has delivered to the United States Air Forces more than 60,000 items of aircraft, warship and armed vehicle recognition devices. These are but a few instances of the aid which has been provided to our air forces under reverse lend-lease and without payment by us.

Although Great Britain depends upon imports for a large portion of her curtailed food supply, she is providing American forces with substantial amounts of foodstuffs as reverse lend-lease aid. These range from fresh vegetables, flour and potatoes to corn-on-the-cob and soft drinks.

Australia, New Zealand, and India have also provided

United States forces in those areas with substantial reverse lend-lease aid, including most of their food.

The Australian Government has officially estimated the expenditures for reverse lend-lease aid to the United States at £A60,792,000 as of June 30, 1943. As the official rate of exchange of a £A equals \$3.23, this indicates a dollar value of about \$196,000,000. This sum is divided into the following major categories:

Stores and provisions	\$39,000,000
Technical equipment	7,000,000
Motor transport	14,000,000
Aircraft stores and equipment	16,000,000
General stores	24,000,000
Transportation and communication	21,000,000
Shipping	7,000,000
Works, buildings, and hirings	66,000,000
Miscellaneous	2,000,000
Total	196,000,000

Australia and New Zealand have supplied American forces in the South and Southwest Pacific with the bulk of their foodstuff requirements on a ration scale comparable to the basic allowance of the American Army. This program includes fresh, dried and canned products, and in some cases in the latter category requires amounts ranging up to 100% of total Australian production. The following are the quantities of the principal types of foodstuffs the United States has received from Australia as reverse lend-lease through June 30, 1943:

Meat	61,480,000 pounds
Bread, biscuits, and cereals	· •
Potatoes	
Vegetables and fruit	49,931,000 pounds
Canned foods	28,340,000 pounds
Emergency rations	2,231,000 pounds
Sugar	11,782,000 pounds
Butter	6,628,000 pounds
Condensed milk	8,711,000 pounds
Fresh milk	11,500,000 pints
Fresh eggs	22,000,000 dozen

Although clothing rationing has been introduced in Australia, the Government has undertaken an extensive clothing manufacturing program for the United States forces. This program includes millions of pairs of socks and hundreds of thousands of shirts, jackets, trousers, pull-overs, underclothing, boots and shoes and blankets.

Recreational needs of American soldiers have been met by an Australian program which calls for every type of game and accessory from boxing gloves to medicine balls—in all, more than 420,000 items of such equipment.

Numerous hospitals, including the newest and most modern in the country, have been made available to the United States Army for its exclusive use.

Official air, rail, and water passenger costs and freight, and cable and telegraph expenses of our troops are paid by the Commonwealth Government as reverse lend-lease aid.

A large number of small ships of various types has been turned over to American authorities, and Australian shipyards are now turning out landing barges and small vessels for the combat use of our forces.

On September 29, 1943, the Australian Minister of Finance introduced the Commonwealth budget for the current fiscal year in the Australian Parliament. He estimated that Australia will spend approximately \$323,000,000 for reverse lend-lease during the year July 1, 1943 to June 30, 1944.

New Zealand, no less than Australia and the United Kingdom, has supplied its share of reverse lend-lease aid. For the period ending June 30, 1943, the New Zealand Government has officially reported having expended \$51,000,000 for reverse lend-lease aid to the United States, made up as follows:

Supplies, services, and foodstuffs	\$24,000,000
Camps	6,000,000
Hospitals	3,000,000
Warehouses	
Miscellaneous building projects	7,000,000
Ship construction	6,000,000
Totat.	51,000,000

New Zealand, with Australia, is the food basket of American forces stationed throughout the South Pacific area. In order better to provide for the needs of our troops in remote Pacific islands, New Zealand has greatly increased her capacity for the packing, canning and dehydration of meats, vegetables and dairy products. Although its population is less than 1,700,000, this Dominion has supplied the United States under reverse lend-lease and without charge with more than 170,000,000 pounds of foodstuffs during the year ending June 30, 1943, as follows:

Fresh meat	49,650,000 pounds
Canned and smoked meat	21,600,000 pounds
Potatoes	9,150,000 pounds
Other vegetables	24,125,000 pounds
Fruit	10,825,000 pounds
Butter and cheese	12,550,000 pounds
Other dairy produce	10,000,000 pounds
Sugar	7,100,000 pounds
Flour and other cereals	13,725,000 pounds
Miscellaneous supplies	11,475,000 pounds

New Zealand also supplies numerous articles of clothing, including shoes and textiles, to United States forces as reverse lend-lease aid. When American requirements were added to those of local forces, New Zealand found it necessary to ration the civilian supply of clothing to less than one full outfit per year.

American requirements under reverse lend-lease have also occasioned shortages in many other phases of New Zealand's civilian life. Nevertheless, the Dominion continues greatly to expand the scope and volume of her reverse lend-lease to the United States, and during the present fiscal year about \$65,000,000 has been budgeted for this purpose.

While no official report has yet been received from the Government of India, our Army reports total expenditures by India for reverse lend-lease aid of approximately \$56,900,000, divided as follows:

Military stores and equipment	\$5,421,000
Transportation and communication	3,161,000
Petroleum products	13,127,000
Construction	
Subsistence	3,778,000
Total	56,900,000

We have received aviation gasoline, motor gasoline and lubricating oil, and lesser amounts of other petroleum products from the Indian Government for use by American forces. A part of the motor fuel has been used in a number of trucks and passenger cars given our troops without payment as reverse lend-lease aid. In addition, United States Army groups have been afforded postal, telegraph, and telephone facilities, water and electric power, furnishings for buildings, and items of clothing, including mosquito- and gas-proof outfits.

Canada has received no lend-lease aid from the United States. She has paid cash for the supplies obtained in this country. It may be noted, however, that Canada has already made a billion dollars worth of aid available without payment to the United Kingdom and is now engaged in making available another billion dollars worth of aid to the United Kingdom, Russia, China and the other United Nations on a mutual aid program similar to our lend-lease program.

This statement of the expenditures made by the British Commonwealth of Nations for reverse lend-lease aid furnished to the United States, and of the expansion of this program so as to include exports of materials and foodstuffs for the account of United States agencies from the United Kingdom and the British Colonies, emphasizes the contribution which the British Commonwealth has made "to the defense of the United States" while taking its place on the battlefronts. It is an indication of the extent to which the British have been able to pool their resources with ours so that the needed weapon

may be in the hands of that soldier—whatever may be his nationality—who can at the proper moment use it most effectively to defeat our common enemies.

Franklin D. Roosevelt.

THE WHITE HOUSE, November 11, 1943.

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THIRTEENTH REPORT TO CONGRESS ON LEND-LEASE OPERATIONS

For the Period Ended November 30, 1943



THIRTEENTH REPORT TO CONGRESS ON LEND-LEASE OPERATIONS

For the Period Ended November 30, 1943

144 S 4 1944

University of Research

"The President from time to time, but not less frequently than once every ninety days, shall transmit to the Congress a report of operations under this Act except such information as he deems incompatible with the public interest to disclose."

[From Section 5, subsection b of "An Act to Promote the Defense of the United States" (Public Law No. 11, 77th Congress, 1st Session).]

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PRESIDENT'S LETTER OF TRANSMITTAL

To the Congress of the United States of America:

I am transmitting herewith to the Seventy-eighth Congress a report of operations under the Lend-Lease Act for the period ended July 31, 1943.

In the month of July alone, lend-lease aid exceeded a billion dollars. Lend-lease supplies are hastening the day of final victory.

Sicily has fallen. The fascist dictator has been thrown out of power. For the first time the United Nations forces occupy part of the homeland of the enemy.

The subjugated peoples of Nazi Europe are now aware that the European fortress is not impregnable. The great offensives of the Soviet Army on the Eastern Front, the continued heroic struggle of the Chinese, and the British offensives in other areas, aided by lend-lease munitions and supplies, are having their repercussions both on and behind the battle lines. Our might and that of our allies is being felt in the Axis satellite nations of the Balkans and Middle Europe, and in Nazi Germany as well. From Hamburg on the North Sea to Ploesti in Rumania, the people know from first-hand experience with what crushing force the United Nations can strike.

Except for the responsible fascist leaders, the people of the Axis need not fear unconditional surrender to the United Nations. I have said that we shall bring food for the starving and medicine for the sick in the areas liberated by the United Nations. We have done so, under lend-lease, in North Africa. We are doing so in Sicily. We shall continue to do so in other areas, as they are liberated, to prevent economic breakdown and to aid the liberated peoples to produce and to help themselves. We shall provide these necessary civilian supplies in support of our military operations and as a matter of

simple humanity. The people of Axis-controlled areas may be assured that when they agree to unconditional surrender they will not be trading Axis despotism for ruin under the United Nations. The goal of the United Nations is to permit liberated peoples to create a free political life of their own choosing and to attain economic security. These are two of the great objectives of the Atlantic Charter.

But until the day of unconditional surrender, the United Nations will continue with the force of all their power to hit the enemy. We are striking hard and ready to strike harder. Greatly increased United States forces and greatly increased lend-lease supplies are on the way to the battle fronts. The longer this war goes on, the stronger the United Nations will become.

The United Nations are growing stronger because each of them is contributing to the common struggle in full measure—whether in men, in weapons, or in materials. Each is contributing in accordance with its ability and its resources. Everything that all of us have is dedicated to victory over the Axis powers.

This report on lend-lease and reverse lend-lease activities should be both an assurance and a warning to our enemies. The power of the United Nations is great. The will of the United Nations is fixed. In this common war we fight as one man, for one victory—and we shall have it.

Franklin D. Roosevelt.

(Filed August 25, 1943, with the Secretary of the Senate and the Clerk of the House of Representatives as provided in Section 5-b of the Lend-Lease Act.)

PRESIDENT'S LETTER OF TRANSMITTAL

To the Congress of the United States of America:

I am transmitting herewith, pursuant to law, the Thirteenth Report of Operations under the Lend-Lease Act.

The coming year will be a year of decisive actions in the war. By combining their strength, the United Nations have increased the power of the common drive to defeat the Axis. We have already beaten back our enemies on every front on which we are engaged.

At Teheran and Cairo, plans were agreed upon for major offensives, which will speed the day of victory. With the closer unity there achieved, we shall be able to strike everincreasing blows until the unconditional surrender of the Nazis and Japanese.

Mutual aid has contributed substantially to the strength of the United Nations. The flow of lend-lease assistance from the United States to our allies and of reverse lend-lease assistance from our allies to us has increased the power of our united offensives. The lend-lease program has made stronger the ties that bind the United Nations together for common victory and in common determination to assure a lasting peace.

Each of the United Nations is giving what it can to the accomplishment of our objectives—in fighting manpower and in war production. Some countries, like the United States and Canada, located away from the fighting theaters of war, are able to make available to other United Nations large quantities of food and manufactured arms. Others, like the Soviet Union and China, require virtually everything they can raise and produce in order to fight the enemy on their own soil. And still others, like the United Kingdom and Australia, can make available substantial quantities of war material to their allies

but must necessarily retain most of their war supplies and food for their own forces.

Whether food and war supplies should be transferred by one of the United Nations to another or retained for its own forces depends on the strategic military necessities of war.

Our common objective is that all the planes and all the tanks and all the food and other equipment that all the United Nations together can produce should be used as effectively as possible by our combined forces to hasten the defeat of the enemy.

The cost of the war to us, and to our allies, is high in any terms. The more fully we can now mobilize our manpower, our supplies, and our other resources for the decisive tasks ahead, the earlier will victory be ours and the lower the final cost—in lives and in material wealth.

The United Nations enter the new year stronger and more firmly united than ever before. Germany and Japan will both soon learn that to their sorrow.

Franklin D. Roosevelt.

(Filed January 6, 1944, with the Secretary of the Senate and the Clerk of the House of Representatives as provided in Section 5-b of the Lend-Lease Act.)

Chapter 1

THE LEND-LEASE PROGRAM

Lend-Lease and the United Nations

As more American forces move overseas to hit the enemy, the Axis is also feeling with greater and greater force the effects of the lend-lease program. The soldiers of the Soviet Army who have driven back the Nazi invaders in one of the greatest offensives in military history are making good use of the supplies we have sent them. British and allied forces fighting beside our own forces in the Mediterranean theater have been strengthened by lend-lease equipment. Lend-lease aircraft, bombs and other war goods sent to Great Britain are being used in the effective bombing of industrial Germany by the R. A. F. The offensive against Japan is being speeded by our lend-lease shipments to India, China, Australia, and New Zealand.

The cost of lend-lease aid from March 11, 1941, to November 30, 1943, has been equivalent to 13.5 percent of all United States war expenditures for the period. The money we have spent on lend-lease is as much an integral part of the United States' own war effort as the 86.5 percent of our war expenditures that have gone for our own armed forces and for our home front. Through the lend-lease program, American planes, tanks, and guns, manned by the soldiers of our allies, and joined with our own forces, are helping to win victories over our enemies. Through lend-lease, American steel and machine tools and other industrial materials and equipment are being used by the war workers of our allies to produce in their factories more weapons for use by their forces—and by ours against our enemies. Through lend-lease, American food is helping to maintain the rations of the Soviet Army, of British soldiers and war workers, and of others who are engaged in the war against the Axis either on the front or behind the lines.

The lend-lease program is an essential element of United Nations strategy—to win complete victory over our enemies in the shortest possible time by using to the fullest possible extent the man-power and industrial resources of all the United Nations. Our allies fight principally with their own weapons. Their factories use principally their own raw materials and equipment. Their peoples raise most of the food they eat. But lend-lease supplies have been an essential supplement to their own resources. Without lend-lease weapons, some of the most important battles that have been won against our enemies by our allies and by our combined forces might not have been won so speedily—or won at all. Without supplementary war supplies under lend-lease, factories abroad that are producing tens of thousands of planes and guns and tanks to smash German and Japanese bases and production centers would have been able to contribute far less to the defeat of the enemy; and millions of men in allied lands who have marched into battle or worked long hours in munitions plants might not have had enough food to carry on.

Total Lend-Lease Aid

The rapidly mounting offensive power of United Nations forces is due in part to the increased flow of lend-lease aid to our allies.

Total lend-lease aid furnished from the beginning of the program in March 1941 to November 30, 1943, amounted to \$18,608,553,000. Of this amount, \$10,355,820,000 was furnished in the first 11 months of this year, \$7,009,129,000 in the entire year 1942, and \$1,243,604,000 in the last 10 months of 1941.

Airplanes, guns, raw materials, food, and other goods transferred have accounted for 87 percent of total aid to date and services for 13 percent. Transfers of finished munitions make up 53 percent of the total aid. Industrial items account for 21 percent and foodstuffs and other agricultural products for 13 percent of the total.

The upward trend in lend-lease aid has been due in large part to a sharp rise in the volume of aircraft, ordnance, and other munitions transferred to our allies. In 1941, munitions represented 21 percent of total lend-lease aid. The proportion increased to approximately 47 percent in 1942. It increased again to about 61 percent in the first eleven months of 1943.

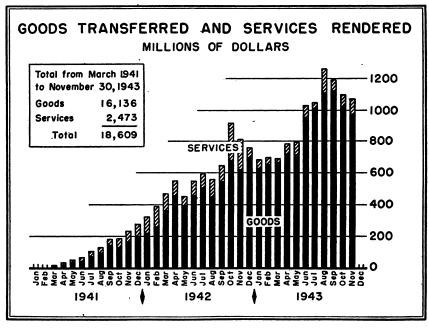


Chart 1

Lend-lease services to the end of November 1943 amounted to \$2,472,704,000. The rental and charter of ships and ferrying of aircraft constituted the most important services, accounting for more than half of the value of all services. Much of the balance consisted of the training of combat pilots for our allies, the repair of allied men-of-war and merchant-men in our shipyards, the assembly of aircraft abroad, and other similar war services for the United Nations. In addition, more than \$600,000,000 of lend-lease funds have been expended on gun, airplane, and other war production facilities in the United States. This represents a substantial addition to our own industrial capacity. These plants have not been transferred to foreign governments. Some of them are now being

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TOTAL LEND-LEASE AID March 1941 through November 30, 1943

	Amount	% of Total	
Goods Transferred:	• -		
Munitions	\$9,827,519,000	52.8	
Industrial Items	3,931,531,000	21.1	
Foodstuffs, etc	2,376,799,000	12.8	
Total Transfers	16,135,849,000	86.7	
Services Rendered: Servicing and Repair of Ships, etc Rental of Ships, Ferrying of Aircraft,	400,728,000	2.2	
etc	1,382,583,000	7.4	
Production Facilities in U. S	604,604,000	3.2	
Miscellaneous Expenses	84,789,000	0.5	
Total Services	2,472,704,000	13.3	
Total Lend-Lease Aid	18,608,553,000	100.0%	

The above figures are exclusive of the value of goods consigned to United States commanding generals for subsequent transfer in the field to lend-lease countries. The total value of such consignments to November 30, 1943, was \$438,741,000.

Table 1
BREAK-DOWN OF LEND-LEASE AID

	1941	1942	Jan.–Nov. 1943
Munitions	Percent 21.5 21.9 29.8 26.8	Percent 46.7 20.9 12.8 19.6	Percent 60.7 21.2 10.7 7.4
Total	100.0	100.0	100.0

Table 2

used to produce munitions for our own armed forces. All of these plants will be available to us after the war for whatever use we want to put them to in our national interest.

Lend-Lease Exports

Figures on transfers of lend-lease goods and services to our allies help to give a complete picture of the amount of aid furnished under lend-lease, but they do not show to what theaters of war the goods are sent. Lend-lease exports, on the other hand, are reported by the country to which they go. Statistics on exports are used in the discussion of lend-lease in the various theaters of war in succeeding chapters.

Total lend-lease exports to all areas in the first ten months* of this year were more than one and one-half times as great as they were in the entire year 1942. Increases were shown in exports to each of the principal areas.

The most substantial increase has been in our exports of munitions. In the first ten months of this year, for instance,

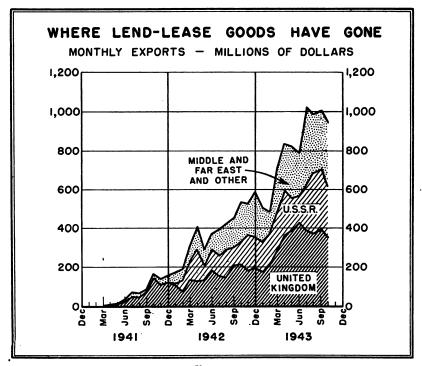


Chart 2

^{*} Figures on exports for the month of November are not yet available.

VALUE OF LEND-LEASE EXPORTS TO ALL COUNTRIES Thousands of Dollars

	1941	1942	JanOct. 1943	Total
United Kingdom	572,620 545	2,005,318 1,351,925	3,402,441 2,197,973	5,980,379 3,550,443
Mediterranean Area China, India, Australia, and	95,915	692,026	1,380,358	2,168,299
New ZealandOther Countries	52,219 19,604			
Total	740,903	4,894,759	8,208,595	13,844,257

Table 3

we exported under lend-lease munitions valued at \$4,674,-546,000, which represented an increase of 142 percent over exports in the corresponding period of last year. The comparable increase in industrial items for our allies' war production was 104 percent and in foodstuffs for their soldiers and war workers, it was 88 percent.

Reverse Lend-Lease

With lend-lease assistance, our allies have been able to strike more damaging blows against our enemies and they are fighting today more strongly than ever by the side of our own forces. The war will be much the shorter for it. This is, of course, the principal war benefit the United States receives under the lend-lease program. It is a benefit beyond price.

In addition to this benefit, however, the United States is receiving directly as reverse lend-lease aid, without any payment by us, substantial quantities of supplies provided by our allies within the limits of their material and financial resources. The President's Twelfth Report to Congress on Lend-Lease Operations, submitted November 11, 1943, gave a preliminary report of the reverse lend-lease aid United States

forces overseas had received up to June 30, 1943, from the British Commonwealth. Reports have not yet been received for the four months ending October 31, 1943, but up to June 30, 1943, the United Kingdom had reported expenditures for reverse lend-lease aid to the United States of \$871,000,000, Australia of \$196,000,000, New Zealand of \$51,000,000 and India of \$56,900,000, a total of \$1,174,900,000. These figures

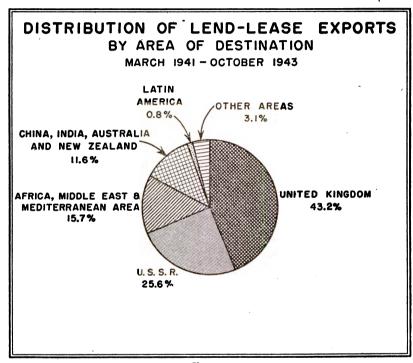


Chart 3

did not include many expenditures by the British for supplies and services made available to United States armed forces in North Africa, Sicily, Italy, and elsewhere. Similar lend-lease aid to our armed forces is being provided by the Belgian Government and the French Committee of National Libération.

In addition to supplies and services for our armed forces abroad, the governments of the United Kingdom, New Zealand, and India have agreed to provide as reverse lend-lease, and without payment by us, raw materials, commodities, and

foodstuffs previously purchased within their territories by United States Government agencies; the agreement with the United Kingdom includes public purchases in Southern Rhodesia and the Colonial Empire. Similar arrangements are now under negotiation with the governments of South Africa and Australia. British shipping to carry these supplies, which include such strategic and critical materials as rubber, rope

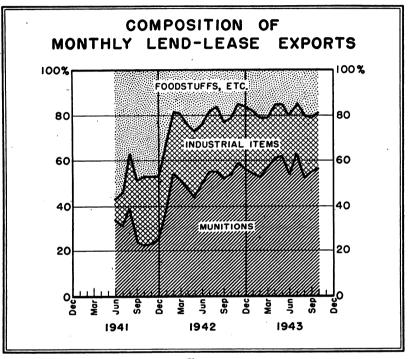


Chart 4

fiber, chrome, benzol, cocoa, tea and vegetable oils, is also being made available under reverse lend-lease. The French Committee of National Liberation has similarly undertaken to supply us, as reverse lend-lease aid, without payment on our part, strategic materials imported into the United States from North Africa.

We are also receiving reverse lend-lease aid, as the need arises, in China and the Soviet Union. Both these nations have, of course, had to strain their own manpower, transportation, and other resources to the utmost in fighting our enemies on their own soil, and they have plainly not been in a position to provide large amounts of reverse lend-lease aid.

The real measure of the aid we and the other United Nations have received from China is the six and a half years during which our indomitable ally has engaged—and is now continuing to engage—large Japanese armies in China with heavy losses to the Japanese. The real measure of the aid we and the other United Nations have received from the Soviet people is to be found at Stalingrad, Kharkov, and Kiev, and in the millions of Nazi soldiers killed, wounded, or captured on Russian soil, who will not be there to oppose our forces in western Europe.

So with all our fighting allies—the British, whose forces have fought in the Mediterranean campaigns in considerably larger numbers than our own; the French who have fought with us in Tunisia and are fighting now not only in Italy but as a heroic army of underground resistance in France itself. The money cost of reverse lend-lease aid, great as it is, is in no sense a measure of the help we receive from our allies.

Our principal allies have contributed fully in proportion to their resources. Total United States war expenditures, including those for lend-lease, have increased from approximately one-third last year to one-half this year of our national income. Both last year and this year the United Kingdom, for example, spent more than one-half of her national income for the war.

The dollar statistics of lend-lease and reverse lend-lease provide a useful measurement of one phase of our own war effort and one phase of the war effort of our allies. But neither lend-lease statistics nor dollar figures of any kind can measure the relative contributions toward winning the war of the United States and the other United Nations. We are fighting this war primarily with men and ships and weapons, with steel and food, not merely with dollars. The contributions of the United Nations have necessarily differed in accordance with their varying resources and with the circumstances of the war as it has progressed. Some have been called upon to give more in weapons or in materials, some to give more in lives or in ruined cities. All are giving what they can for victory.

Chapter 2

THE SOVIET UNION

Lend-lease shipments to the Soviet Union through October 31, 1943, totalled \$3,550,443,000, or more than one-fourth of lend-lease exports to all countries. Our aid to the U. S. S. R. has been greatly accelerated in 1943. In the first ten months of this year, shipments were 63 percent higher than in the entire year 1942.

Aircraft, ordnance and other munitions have constituted 56 percent of the value of exports to the Soviet Union. Industrial items have made up 27 percent and foodstuffs and other agricultural products 17 percent of our lend-lease shipments to the Soviets. This year, as Table 4 indicates, we have greatly reduced shipments of tanks, in accordance with reduced Soviet requirements, but have increased exports of aircraft and aircraft parts, ordnance and ammunition, industrial products, watercraft, and motor vehicles. In the first ten months of 1943 we sent more than twice as much food to the Soviet Union (in dollar terms) as in all of 1942.

The lend-lease aid we have furnished has been effectively used in the Red Army's advances in the Ukraine and White Russia. Through October we sent to the U. S. S. R. nearly 7,000 planes, more than to any other lend-lease country; more than 3,500 tanks and 195,000 motor vehicles, including trucks, jeeps, motorcycles, and other vehicles. These have not only provided the Soviets with important weapons of offense to supplement their own production, but have also been a vital factor in maintaining supply services for the 2,000-mile Russian front.

VALUE OF LEND-LEASE EXPORTS TO U. S. S. R.

Thousands of Dollars

	1941	1942	JanOct. 1943	Total
Ordnance and Ammunition Aircraft and Parts Tanks and Parts Motor Vehicles and Parts Watercraft Industrial Items Foodstuffs, etc Total	35 435	11,020 312,880 184,815	293,531 416,282 39,114 312,164 75,671 651,471 409,740 2,197,973	507,524 719,678 215,953 461,256 86,691 964,786 594,555 3,550,443

Table 4

To help relieve the severe food shortage in the Soviet Union resulting from the fact that the Nazis have occupied and ravaged about 40 percent of the Soviet's most fertile cropland during the war, we have shipped 1,790,000 short tons of food and other agricultural products. These have been largely items in which Soviet production has fallen far short of requirements, including 343,000 tons of wheat and flour, 277,000 tons of sugar, 324,000 tons of canned meat, 441,000 tons of edible fats and oils, 136,000 tons of dried fruits and vegetables, and 38,000 tons of dried eggs.

The Soviet Union urgently requested butter for the Red Army particularly for the use of many wounded soldiers recuperating in Russian hospitals. We have been able to send 33,500 tons. No butter has been scheduled for lend-lease export to any other country since the beginning of the lend-lease program. Last year we shipped 8,500 tons of butter, or seven-tenths of one percent of the total 1942 United States supply. This year we have shipped 25,000 tons, or about 2.7 percent of our supply for the period. Our butter shipments this year to the Soviet Union have amounted to one-seventh of an ounce per week from each civilian in this country. At the same time the United States had received as reverse lend-lease up to June 30, 1943, 8,250

tons of butter. This has been furnished to our forces in the Pacific by Australia and New Zealand as reverse lend-lease and without payment by us. The amounts being currently supplied in this way are steadily increasing. The butter received as reciprocal aid has resulted in freeing for domestic use butter that might otherwise have had to be reserved for overseas use by American forces.

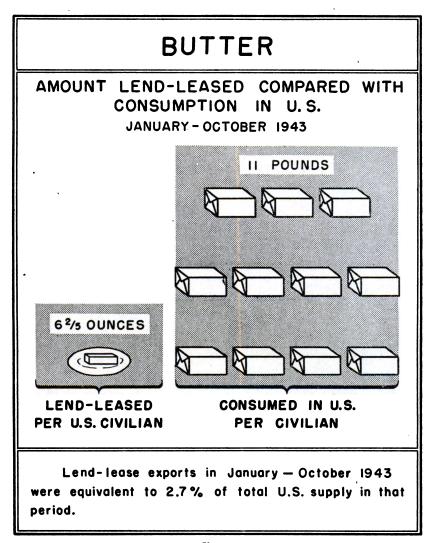


Chart 5

To help restore the reconquered Soviet agricultural areas as soon as practicable and possible, and to develop food production in Siberia, we have sent 10,000 tons of seeds for the growing of some thirty staple crops. We have also sent 5,500,000 pairs of army boots and 16,600,000 yards of woolen cloth for the use of the Soviet armed forces; 251,000 tons of chemicals, 144,000 tons of explosives, 1,198,000 tons of steel, 342,000 tons of nonferrous metals, and 611,000 tons of petroleum products.

Chapter 3

THE UNITED KINGDOM

With the United States and Great Britain using the United Kingdom as a major base for attacks on Nazi-held Europe, the volume of lend-lease supplies sent there from the United States has steadily increased. More than half of the exports to the United Kingdom since the inception of lend-lease moved during the first ten months of this year, as shown in Table 5. Shipments in this period exceeded those of the preceding twenty-two months by \$824,503,000. Lend-lease supplies sent to the United Kingdom are used by British and allied forces on other fighting fronts as well as for offensive action from Britain and for British war production.

VALUE OF LEND-LEASE EXPORTS TO UNITED KINGDOM Thousands of Dollars

	1941	1942	JanOct. 1943	Total
Ordnance and Ammunition Aircraft and Parts Tanks and Parts Motor Vehicles and Parts Watercraft Industrial Items Foodstuffs, etc	10,521 14,559 6,003 165,356 332,090	35,998 61,950 45,906 604,218 731,094	443,483 136,556 104,910 785,283 970,486	760,690 490,002 213,065

Table 5

Lend-lease exports to the United Kingdom from March 11, 1941 through October 31, 1943, totalled \$5,980,379,000, or 43 percent of the shipments to all areas. In 1943, lend-lease exports to the United Kingdom constituted 41 percent of exports to all areas.

Military items accounted for about 40 percent of the value of lend-lease exports to the United Kingdom from March 11, 1941 through October 31, 1943. These were divided about equally among the three major categories: ordnance and ammunition, aircraft and parts, and tanks and other motor vehicles. Industrial items have accounted for 26 percent of total shipments and foodstuffs and other agricultural products for the remaining 34 percent.

There has been a sharp increase in the exports of munitions to the United Kingdom under lend-lease. Shipments of munitions to this area amounted to \$75,174,000 in 1941, \$670,006,000 in 1942, and \$1,646,672,000 in the first ten months of 1943. The value of tanks and parts sent this year has been more than 9.5 times the combined total for 1941 and 1942. While munitions constituted 13 percent of lend-lease exports to the United Kingdom in 1941, the percentage rose to 33 percent in 1942, and to 48 percent in the first ten months of 1943.

Although the food sent to the United Kingdom was only about 10 percent of Britain's total food requirements, and was an even smaller percentage of our own supply, it represented the difference between having and not having enough to carry on effectively the British war effort. Lend-lease foods have been mainly of the concentrated varieties high in food value. We have sent substantial quantities of protein substitutes for meat, such as dried peas, dried eggs and cheese, as well as pork and a very little beef. We have also sent other types of concentrated foods, such as dried milk, dried fruit, concentrated fruit juices, and deliydrated vegetables. These are essential to the health of the armed forces and workers in munition industries, yet require a minimum of shipping space. The British in turn have supplied our soldiers in Great Britain under reverse lend-lease with fresh vegetables, flour, potatoes,

cocoa, tea, and other foods that are grown in Britain and in the Colonial Empire.

Lend-lease aid to the United Kingdom has involved hundreds of special projects. For example, after studies in London and Washington revealed a serious shortage of coal for future military operations and essential civilian requirements, lend-lease funds were made available for the purchase of relatively small amounts of mining machinery to be used to increase production of coal in the United Kingdom. British coal has been used to supply the needs of American and allied forces in the Mediterranean theater and to meet other overseas United Nations needs. Almost no coal produced in the United States—a minute fraction of one percent of our production—has ever been shipped from this country under lend-lease, and none has ever gone to the British Isles.

Ferry routes have been developed by us and the British jointly to facilitate the delivery of planes to Great Britain, the Middle East, and the Russian front. Lend-lease funds were an important factor in building and equipping airports along these routes and in constructing and maintaining repair and supply depots to service the planes and keep them in operation. At the same time, the British, under reverse lend-lease, have built a great number of airfields for our forces in the United Kingdom.

The British, like us, have spent several hundred million dollars in building in various parts of the world airfields essential for carrying on the war against the Axis. These fields are used by many United Nations forces. Lend-lease supplies from the United States that have been used in building or equipping airfields in the lands of our Allies were furnished, like other lend-lease aid, under the terms of the Lend-Lease Act. The Act provides that the benefit to the United States for lend-lease aid "may be payment or repayment in kind or property, or any other direct or indirect benefit which the President deems satisfactory." The final determination of what this benefit may be is deferred, under the Master Lend-Lease Agreements, "until the extent of defense aid is known and until the progress of events makes clearer the final terms

and conditions and benefits which will be in the mutual interests of the United States of America" and of the countries receiving lend-lease aid from us. Lend-lease equipment installed in airfields abroad will be fully taken into account, therefore, in the final lend-lease settlements when they are made.

The question of the future use of airfields in all parts of the world, both for strategic and commercial purposes, involves many other factors besides lend-lease, of course. The final and complete answer can be found only through the continuing and successful collaboration of the United Nations in international commerce after the war and the development of a system of general military security in which the interests of both the United States and the other United Nations are fully protected.

Chapter 4

AFRICA, MIDDLE EAST, AND MEDITERRANEAN AREA

As the war in Africa and the Mediterranean gained in scope and intensity this year, resulting in the expulsion of the enemy from North Africa, Sicily, and southern Italy, lend-lease aid to this area increased in volume. Shipments through October 31, 1943, totaled \$2,168,299,000. In the first ten months of this year they were 75 percent greater than in the preceding twenty-two months combined.

As Table 6 shows, about three-fourths of our exports to Africa, the Middle East, and the Mediterranean region have been finished munitions. This table does not, however, include munitions consigned to American commanding generals for transfer in the field to the armed forces of our allies. The total value of such consignments to all areas up to November 30, 1943, was \$438,741,000.

VALUE OF LEND-LEASE EXPORTS TO AFRICA, MIDDLE EAST, AND MEDITERRANEAN AREA

Thousands of Dollars

	1941	1942	JanOct. 1943	Total
Ordnance and Ammunition Aircraft and Parts Tanks and Parts Motor Vehicles and Parts Watercraft Industrial Items Foodstuffs, etc	30,572 10,758 1,820 14,683	115,066	240,491 326,533 172,281 17,959 223,817 94,894	298,105 30,573

Table 6

Direct Military Aid

The largest single category of munitions shipped to this area has been ordnance and ammunition, followed by tanks, aircraft, and motor vehicles. Exports of tanks and parts in the first ten months of 1943 were about six times as large, in dollar value, as in all of last year.

Lend-lease planes, tanks, and guns helped the British Eighth Army drive Rommel's forces out of Egypt, Libya, and Tripolitania and to play a major part in the Tunisian, Sicilian, and Italian campaigns. Lend-lease munitions and planes are making possible the re-creation in North Africa—the first of the liberated areas—of a French Army and Air Force of 300,000 men. French armed forces equipped through lend-lease have already joined with American and British forces in the fighting in Italy. They will join with the other United Nations in the liberation of France.

Various units which escaped from the occupied countries—Poles, Yugoslavs, Greeks and others—have gone back into the fight with the help of lend-lease weapons, and they are fighting by the side of the British and American forces in this theater.

Civilian Supplies in North Africa

In addition to arms, we have provided to French Africa vital civilian supplies under lend-lease, at the request of our military commanders. This aid has been essential to United Nations operations in the Mediterranean theater. Through December 19, 1943, 342,000 tons of civilian supplies were shipped to French North Africa, and 48,800 tons to French West Africa. These supplies, although furnished under lend-lease, are being paid for one hundred cents on the dollar by the French authorities.

Our shipments in recent months have included finished and semifinished steel for the maintenance of rail and port facilities; steel and chemicals for essential war production; fertilizers and agricultural insecticides to increase production of food for our forces and for the local population; batteries and spark plugs for idle trucks now returned to service; refractory bricks

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for kilns used in the manufacture of building materials; and many other products necessary to develop and maintain North Africa as a major base for military operations. The basic principle has been to supply that aid which will make it possible in the shortest time for the liberated people of French North and West Africa to help themselves and their Allies.

Lend-lease aid is provided to French North and West Africa and we receive reverse lend-lease aid from them under an agreement with the French Committee of National Liberation. Under this agreement we provide both munitions and essential civilian supplies under lend-lease and are reimbursed fully in cash for all but military supplies. The French, on the other hand, make available to us as reverse lend-lease aid, without cash payment by us, strategic and critical raw materials for our war production and food and essential services for our forces in the area. We pay for shipments of non-strategic commodities exported for sale and civilian use in the United States. The French have already made four cash payments, totalling \$56,340,000 for essential civilian supplies shipped to them under lend-lease from the United States.

When we landed in North Africa in November 1942 there was not enough food to carry the people through the winter. A large percentage of the 1942 crop had been sent to Nazioccupied Europe. By sending 88,000 tons of wheat and flour in the six months ending June 30, 1943, it was possible to maintain the bread ration for the people of North Africa, whose cooperation was so important to us while the allied forces under General Eisenhower prepared for the Tunisian campaign which drove the Axis from Africa and opened the way for the invasion of Sicily and Italy.

Since June 30, 1943, we have shipped no more wheat and flour to North Africa. Our food shipments since then have consisted almost entirely of sugar, tea, and dried and evaporated milk.

With the help of lend-lease seeds, fertilizers, and other farm supplies, French North Africa is again producing enough of most varieties of food to more than supply its own population. The liberated people of French Africa—with lend-lease assistance—are now providing locally grown food for our own forces and for the people of the liberated areas of Italy. American forces have already received thousands of tons of fresh fruits and vegetables. The French have agreed to provide substantial additional quantities to our forces in North Africa, Sicily, and Italy. This food is furnished to us as reverse lend-lease. We do not pay for it. The United States Government has not bought and is not buying wheat or other food from the French authorities in any part of French North Africa for our forces, or for the people in North Africa with a minor exception. Army procurement officers have from time to time bought some food locally for individual Army units. We are now receiving local currency from the French authorities as reverse lend-lease to pay for all such purchases.

North African mines and quarries are back in production, and strategic raw materials, such as iron ore, phosphates, lead concentrates, and small amounts of zinc concentrates and antimony have begun to flow to allied countries. French West Africa, too, has begun to contribute valuable raw materials to the United Nations. So far, it has shipped sisal and mahogany, and future shipments of peanuts, palm oil, palm kernels, and small amounts of rubber are expected.

Civilian Gasoline Consumption in North Africa

French North Africa is virtually 100% dependent on imports for its supply of petroleum products. Thus, when American and British troops landed in North Africa a year ago to liberate the first French territory from Axis control, it was a military and lend-lease problem of the first magnitude to supply all of the oil and gasoline which was urgently needed for essential military purposes.

All petroleum products in French North Africa are, and have been, under strict military control. The Petroleum Section of Allied Force Headquarters, which is staffed by American and British military personnel, programs the requirements for all the military and civilian uses of petroleum products. It is the Petroleum Section which is responsible for the determination of

the amount of petroleum needed in North Africa and for the prompt storage, delivery, and distribution of the petroleum upon arrival.

Upon arrival in North Africa the petroleum products are allocated by the Allied Headquarters to the several military and civilian uses strictly on the basis of need. Civilian needs naturally have the lowest priority. In North Africa, under the arrangements now in effect, the French pay the United States in dollars for all of the petroleum products delivered for civilian use.

In the first eight months of 1943 Allied Headquarters allocated approximately 140,000 barrels of gasoline for essential civilian services in Morocco, Algeria, and Tunisia. This was less than one-fourth of the normal gasoline consumption in North Africa before the war. Much of this gasoline was used to help North Africa meet the additional transport needs imposed on the area by the presence of our forces.

French North Africa has 16 million people and covers an area of about a million square miles, one third the area of continental United States. None of the gasoline allocated for civilian transport services in this vast area was for pleasure driving or other non-essential services. In Algeria, for example, no private cars are allowed to operate at all unless they are used for essential services by physicians, government officials, and the like. Algerian police allow only 9,700 private cars to operate in all of Algeria. A survey made in June of this year in Algeria showed that 25% of the gasoline allocated for civilian purposes was used in trucking food, strategic materials, and other essential commodities; 46% was used on the farms to assist in growing more food locally for the people and our forces; 16% was used in local industries; and 13% for passenger cars performing essential services.

On the average, less gasoline has been provided for the few private cars permitted to operate in French North Africa for such essential purposes as doctors' calls than is permitted to A-card holders in this country. A large number of the private cars in North Africa have been requisitioned by the military authorities for the use of allied military personnel. Since 13th Pat

these cars in many cases are not clearly marked as military vehicles they may lead a casual observer to believe that more cars are using gasoline for civilian purposes than is the fact.

The Marking of Lend-Lease Goods

The program of lend-lease aid to French North Africa, the Middle East, and other areas has brought goods of American manufacture to many parts of the world in enormous quantities. The hundreds of millions of people living in the Mediterranean area and in other allied lands are well aware of the American origin of these supplies, and of the fact that they have been provided by the United States under lend-lease.

Some lend-lease goods—like the jeep, the General Sherman Tank, and the Airacobra fighter—of themselves proclaim their



The above reproduction shows three of the labels used to identify lend-lease goods sent to allied countries. The originals, which are considerably larger than the reproductions, are in red, white, and blue. The first label (top, left) is used on goods sent to English-speaking countries, the second (top, right) on goods sent to the U. S. S. R., and the third (bottom) with the wording in both Arabic and French, on goods sent to French Africa.

Chart 6

American origin on the highways and skyways of Europe, Africa, and Asia. These unique American weapons are self-labelling. Other lend-lease articles and packaged goods which are not self-labelling, bear one or more labels, markings, or insignia which establish them as American products. Lend-lease trucks carry the names of their American manufacturers. Still other items, such as machine tools, have the name of the American manufacturer and the United States place of manufacture cast into the body of the machine tool itself.

In order that lend-lease goods may be identified as such by the widest possible group, practically all consumer items are labelled as American. Foodstuffs generally carry American brand names on the containers, or they may be specially packaged. The cartons in which green tea was shipped to North Africa, for example, were specially designed by the OWI for the purpose. Cotton cloth is labelled by dropping insert slips every ten yards as the cloth is wound on bolts; and second-hand wearing apparel is identified by placing labels in the pockets or by hooking special tags on the buttons.

The lend-lease labels and markings are of several types. All of the labels are printed with the national red, white, and blue colors and bear "U. S. A." or "From the United States of America" in prominent lettering. In addition, the American flag, has a central position on most of the labels. The American eagle and the Statue of Liberty are also used as distinctive lend-lease markings.

Chapter 5

CHINA, INDIA, AUSTRALIA, AND NEW ZEALAND

Lend-lease exports to these areas from March 11, 1941, to October 31, 1943, totaled \$1,603,346,000. As shown by Table 7, exports in the first ten months of this year substantially exceeded the combined total of the shipments in 1941 and 1942.

VALUE OF LEND-LEASE EXPORTS TO CHINA, INDIA, AUSTRALIA, AND NEW ZEALAND

Thousands of Dollars

	1941	1942	JanOct. 1943	Total
Ordnance and Ammunition Aircraft and Parts Tanks and Parts Motor Vehicles and Parts Watercraft	7,995 1,935 17,856 68 11,523	165,107 97,139 100,380 75,145 2,849 170,155 30,529	149,553 200,173 42,331 144,152 20,789 323,421 29,404	324,220 305,307 144,646 237,153 23,706 505,099 63,215
Total	52,219	641,304	909,823	1,603,346

Table 7

China and India

Combined exports to China and India have totaled \$856,824,000, of which 68 percent were munitions, 28 percent industrial products, and 4 percent agricultural commodities.

Because the land routes to China have been closed since Burma was lost, most of these supplies have been for India. Some lend-lease supplies have been sent into China by air and considerable quantities of supplies for China have been stock-piled in India. They are there, ready to go, when the necessary routes are reestablished or developed.

In spite of the closing of the land routes since the Burma Road was cut, we have been able to send into China lend-lease planes and other equipment for the Chinese Air Force and Chinese Army, together with small amounts of tools and materials for the Chinese arsenals that are continuing to turn out ground equipment inside China. Chinese fliers are being trained both in India and in the United States under lend-lease, and Chinese troops in India under Lieutenant General Stilwell have been completely equipped with lend-lease weapons and organized into hard-hitting triangular divisions. India is the base for operations against the Japanese in Burma who block the road to China. When the time comes for United Nations forces in India to strike, the Chinese troops equipped and organized in India will be prepared to join in the offensive.

Because of India's importance as a producer of industrial materials and military equipment, and as an exporter of such strategic items as jute, mica, manganese, graphite, and other materials vital to the allied war effort we have supplied her with large quantities of metals, machinery, and tools needed for her armament factories and the mining, production, or processing of strategic materials. Surveys have been made of India's industrial plants and transportation system and help has been given to increase their efficiency. We have provided cranes and lighters to move supplies in and out of her crowded harbors and equipment to expand the capacity of her railroad system.

Transportation has been a major problem in delivering lend-lease goods to India as well as to China. After the loss of Burma in the spring of 1942, India's east coast ports, including Calcutta and Madras, were closed for many months by enemy operations in the Bay of Bengal and lend-lease supplies piled

up in the harbors of India's west coast ports. India's eastern ports have been reopened, and in addition the opening of the Mediterranean-Suez Canal-Red Sea route will facilitate the movement of lend-lease goods for the India-China front.

Australia and New Zealand

Lend-lease shipments to Australia and New Zealand through October 31, 1943, amounted to \$746,522,000 of which 61 percent were finished munitions, 35 percent industrial items, and 4 percent agricultural commodities.

Australia is itself a sizable arsenal of democracy. Australian factories produce large quantities of munitions and other equipment which have been put to good use in the campaign in the Southwest Pacific. We have sent to Australia machine tools vitally needed for this work. Australia makes tires for airplanes and motor vehicles; we ship carbon black and other needed chemicals. Australia builds landing craft; the engines are made in the United States and shipped under lend-lease. Australia manufactures shirts, socks, jackets, and other military clothing; we ship some of the textiles needed to increase her production.

Both Australia and New Zealand are important sources of food for the United Nations. They have been in need of additional agricultural equipment to increase production, as well as tinplate and materials for canning, dehydrating, and packing vegetables and meats. We have made these supplies available under lend-lease. With this assistance, Australia and New Zealand have been able to increase food production sufficiently to supply almost all the food needed by American forces in these countries. Thus, for example, Australia and New Zealand have supplied our forces, under reverse lend-lease, with almost as much beef and veal as we have exported to all lend-lease countries. Their aid to us has saved many thousands of tons of shipping and greatly reduced the amount of food needed from our domestic food supply by United States armed forces in the Pacific.

In addition to vast quantities of food, Australia and New Zealand furnish hospitals, airfields, barracks, and clothing under reverse lend-lease to our forces in the Southwest Pacific. Their repair shops serve our planes and motorized equipment and their shipyards keep our troop transports and other ships in condition under reverse lend-lease.

Chapter 6

OTHER COUNTRIES

The Occupied Countries

The Governments-in-exile—Norway, the Netherlands, Belgium, Poland, Czechoslovakia, Yugoslavia, and Greece—are all eligible for lend-lease aid. Through lend-lease the United States has helped to provide equipment and training for some of their air and ground and naval forces—several hundred thousand strong—who are fighting beside us against the Nazis and the Japanese. Great Britain has provided even greater quantities of equipment for the exiled armies and we have also joined the British in helping to maintain and repair the 10,000,000 tons of merchant shipping which the occupied countries contributed to the United Nations shipping pool. We have sent, in addition, some lend-lease supplies to colonial areas belonging to the Governments-in-exile which are producing in increasing quantities strategic materials vital to the war-production program of the United States.

Thousands of Norwegian fliers have been trained at Little Norway in Canada, using lend-lease trainer planes. Thousands of fliers of the other occupied countries have been trained in the United States. Hundreds of Dutch fliers, men who escaped capture by the Nazis in the Netherlands or by the Japanese in the East Indies, have come to Jackson, Mississippi, for training under lend-lease and then gone to Australia, where they are flying fighter and Mitchell bomber squadrons today under General MacArthur's command. Yugoslav fliers trained under lend-lease are flying with allied forces in the Mediterranean theater and one Yugoslav squadron is equipped with Liberator bombers. The air forces of the other occupied

countries are flying British and American planes with the R. A. F. and U. S. A. A. F. from bases in Britain and Africa.

We are being paid in cash for some of the supplies we furnish the governments-in-exile. This is the case, for example, with essential supplies other than munitions sent to Dutch Guiana (Surinam), where an important share of the bauxite used in the manufacture of American aluminum, is produced. In the Belgian Congo, where production of vital war materials such as rubber, tin, copper, cobalt, fibres and palm oil, has been increased as much as 100 percent, mining and transportation equipment are paid for in cash.

Latin America

Lend-lease aid has been extended to the other American Republics which are united with us in defense of the Western Hemisphere and have produced a billion dollars worth of raw materials essential to our war production.

Substantially all lend-lease aid to Latin American countries consists of fighting equipment such as guns, aircraft, military vehicles and small naval craft, together with materials used in ordnance plants and other installations producing military or naval equipment.

The original arrangements to supply military and naval equipment to Latin America were approved by General Marshall, the Chief of Staff, and by Admiral Stark, then Chief of Naval Operations. All assignments of military and naval equipment to the other American Republics under lend-lease have been approved by the appropriate officers of the United States Army and Navy, acting under the direction of the Joint Chiefs of Staff.

From March 1941 to October 31, 1943, lend-lease shipments to Latin America amounted to \$116,543,000. Of this total, a substantial part has gone to Brazil, which General Marshall, in his biennial report as Chief of Staff of the United States Army, termed "vitally important to the strategic defense of the United States" and "vital to the security of the Pan-

ama Canal." Brazil and other American Republics have made available to us air and naval bases in Central America and along the northern coasts of South America. We have supplied air and coastal defense equipment under lend-lease. The Brazilian Air Force, flying American lend-lease planes on Atlantic patrol, has reported the sinking of several enemy submarines. Brazil is now preparing to send troops to fight beside ours in Europe. Brazilian and Cuban naval units, using coastal patrol vessels loaned by us and operated by crews trained under lend-lease, have taken an active part in convoy work in the South Atlantic and the Caribbean.

The United States has already been reimbursed to the extent of about \$10,000,000 for lend-lease aid furnished to the other American Republics.

No lend-lease aid is being furnished to the Republic of Argentina.

Canada

The Canadian and American war-production programs are closely integrated under the Hyde Park agreement, but Canada pays cash for all aid for herself that she receives from the United States. She buys from us for cash a large part of the requirements for her war production and we buy for cash from her fighting equipment produced in her factories, as well as such war materials as nickel, of which she produces more than 90 percent of the world's supply.

Lend-lease exports to and through Canada from the United States are valued at \$350,000,000 since March 1941. These exports consist of military equipment and its components, principally for re-export from Canada to the United Kingdom or other United Nations either directly or after further fabrication in Canadian factories. These goods are transferred by the United States under lend-lease, not to Canada, but to the countries of ultimate destination. Other lend-lease exports to Canada have included trainer planes and small quantities of other supplies for the use of Norwegian, Polish, and other United Nations units in training on Canadian soil.

The balance of lend-lease exports to Canada consists of supplies Canada has purchased for cash in this country for her own war effort, using the lend-lease procurement machinery.

Canada has her own mutual aid program under which she is supplying, without payment, to the United Kingdom, the Soviet Union, Australia, New Zealand, and other United Nations, \$2,000,000,000 of additional war supplies produced in her own factories and shipyards.

Although no lend-lease agreement has been signed between Canada and the United States, Canada has adhered, through an exchange of notes on November 30, 1942, to the post-war economic principles set forth in Article VII of the Master Lend-Lease Agreements.

Chapter 7

LEND-LEASE PETROLEUM IN THE WAR

The present war, more than any other war in history, is being fought with petroleum products. Aviation and motor gasoline, oil and lubricants are indispensable to modern war. Petroleum products are consumed in tremendous quantities by the large and constantly growing fleet of planes, ships, tanks and trucks of the United Nations and by their war industries.

The United States was before the war, and is today, the greatest oil-producing, oil-refining, and oil-consuming country in the world. Our highly industrialized and mechanized economy in peacetime was based upon petroleum to an extent unparalleled anywhere in the world. We are now striving to make the most effective use of our great refining capacity in the prosecution of the war. Nevertheless, the United States is actually exporting now to all countries a smaller quantity of petroleum products than was exported from the United States before the war. We are using for our own war industry and armed forces in this country and abroad about 88 percent of the oil we produce.

Our allies are also making the most effective possible use of their own petroleum production and refining facilities—limited though these are as compared with our own. A considerable part of the overseas petroleum requirements of the United States naval, air, and ground forces, and merchant marine is supplied by our allies under reverse lend-lease.

With the petroleum products we have sent under lend-lease we have added immeasurably to the striking power of the United Nations as a whole. The air assault from the United

Kingdom on Nazi Europe, the Soviet victories over the Nazi Army, and the allied campaign against Japan in the Pacific have all been greatly aided by lend-lease supplies of gasoline, oil, and lubricants.

Lend-Lease and United States Petroleum Resources

Lend-lease supplies of petroleum products furnished to our allies have used less than one-tenth of the United States production of crude petroleum. During 1943 it is estimated that exports of petroleum products and supplies of bunker oil under lend-lease will total approximately 132 million barrels, or less than 9 percent of United States production for the year.

The total quantity of petroleum products supplied through commercial exports and under lend-lease to foreign countries from the United States in 1943 will be substantially less than the total quantity of petroleum products supplied to foreign countries commercially in 1938, the year before Hitler plunged Europe into war by attacking Poland.

The following table gives a comparison of the impact on United States petroleum resources of foreign consumption of United States petroleum products in 1938 and 1943:

IMPACT OF FOREIGN CONSUMPTION ON UNITED STATES PETROLEUM RESOURCES

Millions of Barrels

	1938	1943 (esti- mated)
U. S. production of crude petroleum Exports and bunkers to foreign vessels	1,214	1,500
Lend-lease		132
Commercial	216	47
Total exports and bunkers to foreign vessels in percent of U. S. production of crude	216	179
petroleum	18%	12%

Table 8

As the above table shows, the additional production of crude petroleum in the United States since the outbreak of war and the curtailment of nonessential civilian demands have not been caused by lend-lease consumption of United States petroleum products. They are the result, instead, of the large demands upon domestic petroleum production of our own war industries and of our own armed forces in this country and abroad. In fact, a substantial part of the petroleum products shown as lend-lease exports in the above table are returned to our armed forces abroad. In addition, large quantities of petroleum products are furnished to our armed forces under reverse lend-lease by our allies from their own petroleum resources.

Expansion of Middle East Production and Refining Facilities

Petroleum production in the Middle East has already surpassed the level of pre-war production, and current production is greatly in excess of the production of two years ago when the whole area was threatened with the danger of falling under Nazi control. British corporations in the Middle East control several times the production and refining capacity controlled by United States corporations in that area and are consequently supplying several times the quantity of petroleum products supplied from oil resources in that area controlled by United States interests.

All petroleum refining facilities in the Middle East, as elsewhere, are being utilized to the fullest extent consistent with the efficient use of tankers and the maximum output of those petroleum products that are most needed for fighting the war, such as aviation and other high octane gasoline. For example, the great refinery at Abadan at the head of the Persian Gulf is currently operating at its top output under these conditions. This refinery, a British property, is by far the largest refinery in the Middle East. Its output of the most vitally needed war products has already been greatly increased and is being further increased by additional equipment.

The supply of tankers has been inadequate, however, to transport to areas where they are needed for war purposes the entire output of heavier products necessarily produced in the gasoline manufacturing process. The surplus of heavier products at Abadan has been far too large to be held in storage. It has instead been disposed of by the unique method of pumping it back into the oil fields. This has been, from a commercial standpoint, wasteful to the British, but has resulted in saving space on tankers for carrying aviation gasoline to American and British forces.

The British Government, which has had a substantial military supply responsibility in the Middle East, has greatly expanded the petroleum facilities in that area. The first stage of the expansion of the Abadan refinery was begun in the fall of 1941 and the expansion is continuing. The capacity of the British-controlled refinery at Haifa is also being expanded and the refinery at Suez has been operated at full capacity throughout the period of active warfare in this area. The expansions of facilities at these refineries are being paid for by the British. They have not been carried out with lend-lease funds.

A project has also been undertaken to expand the output of war products of the refinery at Bahrein, halfway down the Persian Gulf. This refinery is owned by United States corporations and equipment supplied from the United States for the expansion project is being paid for by the companies with the assistance of a loan from the Defense Supplies Corporation.

The United States, with minor exceptions, does not pay for petroleum products currently obtained from the Middle East. Practically all bunker oil for United States naval and merchant vessels in the Middle East is provided by the British Government under reverse lend-lease. Petroleum products of all types shipped from the Middle East refineries to Australia, India, South Africa, and to the Mediterranean area are furnished locally to United States armed forces and merchant vessels under reverse lend-lease.

Transportation to War Theaters

The effective war use of the combined petroleum resources of the United Nations has been primarily determined by the supply of tankers and other forms of transportation to carry the refined petroleum products to war theaters. Many ocean and overland routes have been cut off or made dangerous. As the course of the war has changed the shipping situation, arrangements for petroleum supply have, of course, been promptly revised.

There has been a shortage of tankers available to the United Nations in relation to the needed quantities of petroleum products and the long distances over which these products have had to be carried from the refineries to the war theaters. United States and British controlled tankers have been jointly programmed to maintain the most efficient operation and eliminate cross hauls. The shortage in tankers has made it imperative, in order to maintain the maximum supply of petroleum products going into theaters of operations, that the shortest haul be used wherever possible.

Ever since the beginning of lend-lease, the "short-haul" principle has governed shipments of petroleum products to the Southwest Pacific except where emergency and strategic developments have necessitated departures from that principle. Petroleum products for Eastern Australia and New Zealand have generally been supplied under lend-lease from the west coast of the United States and Talara, Peru, because these were the shortest routes. United Nations naval, air, and ground forces in Western Australia, the Indian Ocean area, and the Eastern Mediterranean have depended upon supplies of petroleum products from the refineries in the Middle East. only petroleum products customarily shipped to these areas from the United States have been products such as high-grade lubricants, which are not produced in substantial quantities outside of the United States, and aviation gasoline when the output at Abadan was not sufficient to meet all needs.

The allied campaign to liberate French North Africa was supplied with petroleum products primarily from the Western Hemisphere because this was the shortest sea route so long as the Mediterranean was closed to allied shipping. During the coming year, however, a much larger part of the petroleum products for use in the entire Mediterranean theater will be supplied from British controlled sources.

The war theater to which the greatest quantities of petroleum products are supplied under lend-lease is the United Kingdom, where these products are used in the aerial bombardment of Nazi Europe, for the allied navies and merchant marines, the allied ground forces and other war purposes. Tankers cannot be spared to make the long voyages to the United Kingdom from the Persian Gulf refineries. The sea route from Abadan to the United Kingdom via the Cape of Good Hope is about four times as long as the route from the United States to the United Kingdom, and the route from Abadan via the Mediterranean is about twice as long as the route from the United States.

Most of the petroleum products used by the Soviet forces are from Soviet petroleum sources, but certain vitally needed petroleum products for the Soviet war effort not refined in sufficient quantities in the U. S. S. R. have been supplied from the United States under lend-lease. Under lend-lease several refinery units have been sent to the Soviet Union in order to enable the Soviet Union to increase its production of aviation gasoline and other high-grade petroleum products from her own petroleum resources. The Soviet Union has also received petroleum products from British resources.

Outlook for the Future

Every effort is being made to increase the crude-oil production, the refining capacity, and the supply of tankers available to the United Nations. The over-all petroleum war needs of the United Nations in 1944 will rise above what they are now as the magnitude of our offensive increases. The increasing numbers of planes, ships, and tanks which we are now producing and putting into action against the enemy require increasing quantities of gasoline, oil, and lubricants.

Additional supplies of petroleum products from other areas will not therefore result in reducing the demands on our own

petroleum resources. All available supplies of petroleum products will be required for a speedy and complete victory of the United Nations over the enemy. In the future, as in the past, the petroleum resources of each of the United Nations will be utilized in its own direct war effort and the combined war effort, in proportion to the maximum ability of each to produce and efficiently deliver the petroleum products needed in the prosecution of the war.

After the war the nations of the world, including the United States, will require petroleum to maintain their industrialized economies. Discoveries of new oil fields will undoubtedly be made to supplement known oil reserves and, as in the past, the steady development of technological improvements in oil production will make it possible to draw on oil reserves which cannot now be tapped. Nevertheless, as in the case of other natural resources, some nations will have insufficient oil reserves to meet their petroleum requirements. Others will have a surplus. Agreed action by the nations of the world, as provided for in the master lend-lease agreements, for the expansion of production, the elimination of discriminatory treatment in commerce, and the reduction of trade barriers, will assure to the United States and other nations fair and equal access to the petroleum produced in all parts of the world.

Chapter 8

LEND-LEASE AND FARM MACHINERY

In spite of acute shortages of farm labor and farm machinery, Great Britain, the Soviet Union and our other allies have made intensive efforts to increase their production of food. By doing so they have saved millions of tons of shipping for the transportation of fighting equipment instead of food and they have reduced the need for shipping food from the United States.

This achievement would have been impossible without additional farm machinery. The United States, also, has experienced shortages of farm labor and farm machinery. We have, therefore, been able to ship to our allies under lend-lease less than 3% of the entire United States production of farm machinery between March 11, 1941, and November 1, 1943—not quite 34 million dollars worth in more than two and a half years.* The War Production Board has allocated for domestic agricultural use more than 90% of our production under the 1943 program and only 3% for lend-lease.

With the help of what we have been able to send them, our allies have achieved great results in spite of many complicating factors which made increases in their farm production doubly difficult.

In England, for instance, many thousands of acres of the most arable and most easily tillable land have been taken over for airfields. Flying Fortresses of the United States Army's Eighth Air Force today take off from the long, level fields which four years ago were among Britain's best farms. New farm acreage therefore had to be reclaimed by the British

^{*} Excluding crawler-type tractors which are used for military purposes.

from the marshes and hammered out of the rough soil of the hills in the western counties. These marginal lands, however, could not be drained, cleared, and converted to food production without the heavy type of farm power which was available only in America.

The need of our allies for lend-lease farm machinery was further intensified by the demands made upon their existing supply of farm equipment for purely military purposes. Thus, when Australia was seriously threatened by the Japanese early in 1942, thousands of Australian farm tractors were conscripted for the construction of military roads and airfields. Moreover, British and Australian facilities, which once were engaged in manufacturing farm machinery, were converted to ordnance production early in the war. This was done, for example, with one of the two tractor factories in the United Kingdom and with virtually the entire farm machinery industry in Australia.



Chart 7

The dependence of our allies on United States farm machinery production has been virtually complete.

We shipped \$20,642,000 worth of farm machinery under lend-lease to the United Kingdom in the period from March 11, 1941, to October 31, 1943. This was less than two percent of our production. With the help of this machinery the people of the crowded British Isles have brought over eight million new acres of land into farm production. They have increased their home production of food by 70 percent over what it was before the war. Whereas before the war the British imported two pounds of food for every pound they raised at home, now they raise at home two pounds of food for every pound imported. The British have worked the tractors we have sent them probably harder than tractors have ever been worked before. They are passed from farm to farm and in many cases are worked in night shifts as well as by day.

We have shipped not quite \$6,500,000 worth of farm machinery to Australia and New Zealand in the past 311/2 months—about one-half of one percent of our production. Today the American troops in Australia and New Zealand are being fed almost entirely by Australia and New Zealand under reverse lend-lease. This would have been virtually impossible if lend-lease farm machinery had not been shipped. For example, in order to meet the needs of both the Australian civilians and the American troops, Australia was compelled to diversify its farming and convert a very considerable acreage from cereal production to the so-called row crops, such as potatoes and leafy vegetables. Cultivation of row crops on a large scale, however, requires a tricycle type, or "row crop," tractor. Since no tractor of that kind had ever been built in Australia, Canada, or England, the United States was the only available source.

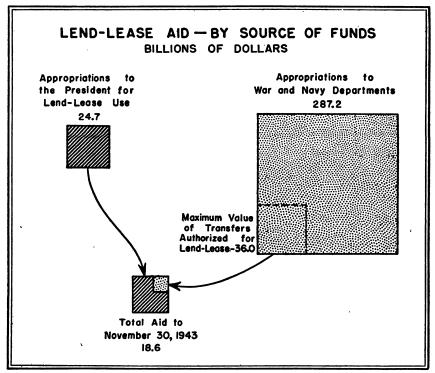
We have shipped almost \$1,250,000 worth of farm machinery to India in order to assist that country to meet the critical food shortages caused by the war.

Smaller amounts of farm machinery have been sent to North Africa, the Middle East, and other areas. North Africa is now producing food not only for its own population, but also for our armed forces and for the liberated people of southern Italy. Hundreds of thousands of tons of shipping space have been saved by the increases in food production that have been achieved by the countries of the Middle East.

Chapter 9

LEND-LEASE APPROPRIATIONS AND TRANSFER AUTHORIZATIONS

By four appropriations there has been made available to the President \$24,683,629,000 for lend-lease use. The first two appropriations, those of March 27, 1941, and October 28,



Lend-lease aid to November 30, 1943, amounted to 18.6 billion dollars. Approximately four-fifths of the total came from funds appropriated to the President for lend-lease use and one-fifth from appropriations to the War and Navy Departments. Most of the aid from the War and Navy Departments' appropriations and a substantial part of the aid from the appropriations to the President was in the form of military items, which accounted for 53 percent of total lend-lease aid.

Chart 8

1941, included provision for munitions as well as essential non-military supplies. The two appropriations to the President which were made after the United States entered the war, those of March 5, 1942, and June 14, 1943, provided only for services and supplies other than finished munitions.

Since our entry into the war lend-lease needs for finished munitions have been provided for by authorizations for transfer under lend-lease of articles and services in regular appropriations to the War and Navy Departments. The maximum value of lend-lease transfers of goods and services, other than ships, which have been so authorized amounts to \$35,970,000,000. This figure is an authorization only. It does not represent funds earmarked for lend-lease use. Under this transfer authority about \$4,000,000,000 of transfers have actually been made.

Amounts provided for by the various appropriation acts are shown by Table 9.

The regular Army, Navy, and Maritime appropriation acts which authorize the President to transfer as lend-lease aid articles and services procured from appropriated funds make possible a needed flexibility in the allocation of munitions and ships. The items procured from such funds may be retained for our own forces or they may be transferred to our allies, depending on the most urgent need at the time the munitions and ships become available. The assignments are recommended by the military experts serving on the Munitions Assignment Board, and by the Combined Shipping Adjustment Board, not by those officials who administer the general lend-lease program.

In order to avoid duplication and to make possible a unified purchasing program for all war needs, all purchasing of lend-lease goods and services has been handled by the regular Government procuring agencies: military items by the War and Navy Departments, shipping and shipping services by the Maritime Commission and War Shipping Administration, foodstuffs and other agricultural products by the War Food Administration, and other items by the Treasury Department Procurement Division. The funds appropriated by Congress to the President for direct lend-lease use are allocated to the

various procuring agencies, which let the necessary contracts for the procurement of the goods and services, and expend the funds as procurement is completed. An accounting of the allocation and obligation of funds appropriated to the President is shown in Table 10, by category and agency.

Allocations of lend-lease funds appropriated to the President to November 30, 1943, amounted to \$20,817,835,000, leaving a balance of \$3,865,794,000 still to be allocated and committed until July 1, 1944. Obligations by procuring agencies, representing primarily contracts awarded, totaled \$17,376,653,000.

AMOUNTS OF LEND-LEASE AID AUTHORIZED

The amount of lend-lease aid that may be provided under the various acts is summarized as follows:

Lend-Lease Appropriations to the President

First Lend-Lease Appropriation Second Lend-Lease Appropriation Third Lend-Lease Appropriation (Fifth Supp. 1942) Fourth Lend-Lease Appropriation	5,985,000,000 5,425,000,000
Total	24,683,629,000

Transfers Authorized From Other Appropriations

War Department—Third Supplemental, 1942	\$2,000,000,000
War Department—Fourth Supplemental, 1942	4,000,000,000
War Department—Fifth Supplemental, 1942	11,250,000,000
War Department—Sixth Supplemental, 1942	2,220,000,000
War Department—Military Appropriation Act, 1943	12,700,000,000
Navy Department—Second Supplemental, 1943	3,000,000,000
Departments other than War—Third Supplemental, 1942.	800,000,000

Nors.—In addition to the foregoing, Congress has with certain limitations authorized the leasing of ships of the Navy and merchant ships constructed with funds appropriated to the Maritime Commission without any numerical limitation as to the dollar value or the number of such ships which may be so leased. (See for example, Public Law 1, 78th Congress, approved February 19, 1943, and Public Law 11, 78th Congress, approved March 18, 1943.)

Table 9

Throughout this report, data on lend-lease aid and exports include items from funds appropriated to the President as well as from funds appropriated to the War and Navy Departments and Maritime Commission.

ALLOCATIONS AND OBLIGATIONS

Lend-Lease Funds Appropriated to the President March 1941 Through November 30, 1943

Thousands of Dollars

Appropriation Category	Allocations	Obligations
Ordnance and Ordnance Stores	1,684,912 2,676,283 692,721 2,777,143 354,047 1,102,488 10,417,606 674,112 411,583 26,940	1,497,751 2,494,249 627,130 2,245,719 302,903 1,056,404 8,307,086 512,421 309,157 23,833
Total	20,817,835	17,376,653
Procuring Agency	Allocations	Obligations
War Department Navy Department Maritime Commission and War Shipping Administration Treasury Department Department of Agriculture Other	5,748,395 3,248,828 2,710,014 3,900,160 5,188,086 22,352	5,259,809 2,586,427 2,087,330 3,046,149 4,378,022 18,916
Total	20,817,835	17,376,653

Table 10

Chapter 10

STATISTICAL TABLES

STATUS OF NATIONS

Lend-Lease Countries and United Nations

Country	Declared Eligible for Lend-Lease Aid	Lend-Lease Agreement Signed Reciprocal Lend-Lease Agreement Signed		United Nations Declaration Signed	
Argentina. Australia Belgium Bolivia Brazil Canada Chile China Colombia Costa Rica Cuba Czechoslovakia Dominican Rep Ecuador Egypt El Salvador Ethiopia Fighting France French North & West Africa Greece Guatemala Haiti Honduras	Nov.11, 1941 June 13, 1941 May 6, 1941 May 6, 1941 May 6, 1941 May 6, 1941 May 6, 1941 May 6, 1941 Jan. 5, 1942 May 6, 1941 May 6, 1941 Nov.11, 1941 May 6, 1941 Nov.11, 1941 Dec. 7, 1942 Nov.11, 1941	Feb. 23, 1942 June 16, 1942 Dec. 6, 1941 Mar. 3, 1942 Mar. 2, 1943 June 2, 1942 Mar.17, 1942 Jan. 16, 1942 Nov. 7, 1941 July 11, 1942 Aug. 2, 1941 Apr. 6, 1942 Feb. 2, 1942 Aug. 9, 1943 July 10, 1942 Nov.16, 1942 Sept.16, 1941 Feb. 28, 1942	Jan. 30, 1943	Feb. 6, 1943 Jan. 1 1942 Jan. 1, 1942 Oct. 9, 1942 Jan. 1, 1942	
Iceland India Iran Iraq Liberia Luxembourg Mexico	July 1, 1941 Nov.11, 1941 Mar.10, 1942 May 1, 1942 Mar.10, 1942	Nov.21, 1941 June 8, 1943		Jan. 1, 1942 Sept. 9, 1943 Jan. 16, 1943	

Lend-Lease Countries and United Nations—Continued

Country	Declared Eligible for Lend-Lease Aid	Lend-Lease Agreement Signed	Reciprocal Lend-Lease Agreement Signed	United Nations Declaration Signed	
Netherlands New Zealand. Nicaragua Norway Panama Paraguay Peru Philippines Poland Saudi Arabia South Africa Turkey United Kingdom United States U.S. S. R Uruguay Venezuela Yugoslavia	Nov.11, 1941 May 6, 1941 June 4, 1941 May 6, 1941 May 6, 1941 May 6, 1941 	July 8, 1942 Feb. 23, 1942 Oct. 16, 1941 July 11, 1942 Sept.20, 1941 Mar.11, 1942 July 1, 1942 June 11, 1942 Jan. 13, 1942 Mar.18, 1942 July 24, 1942		June10, 1942 Jan. 1, 1942 Jan. 1, 1942 Jan. 1, 1942 Jan. 1, 1942 Jan. 1, 1942	

Table 11

LEND-LEASE EXPORTS

March 1941 through October 31, 1943

Millions of Dollars

	United Kingdom	U. S. S. R.	Africa, Middle East, and Medi- terranean Area	China, India, Australia and New Zealand	Other Countries	Total
MUNITIONS						
Ordnance. Ammunition. Aircraft and Parts. Tanks and Parts. Motor Vehicles and Parts. Watercraft	256 515 761 490 213 156	336 720 216 461	357	138 187 305 145 236 24	57 249 33	1,388 2,392 1,291 1,254
TotalINDUSTRIAL ITEMS	2,391	1,991	1,604	1,035	459	7,480
Machinery Metals Petroleum Products Other	345 502 423 285	376 27	98 123 61 150	133 164 97 111	22 18 	1,183 608
Total	1,555	965	432	505	69	3,526
Foods	1,592 442	532 62	126 6	36 27	12 3	2,298 540
Total	2,034	594	132	63	15	2,838
	5,980	3,550	2,168	1,603	543	13,844

The above figures and those in other export tables do not include (1) articles transferred to foreign countries but used in the United States, such as trainer planes for the instruction of United Nations pilots; (2) some ships which leave the United States under their own power; (3) some goods consigned to United States commanding generals for subsequent transfer to lend-lease countries; (4) materials which have been transferred but not yet exported; (5) goods purchased outside the United States and sent directly to lend-lease countries; and (6) some other items of relatively small amount.

Table 12

LEND-LEASE EXPORTS-MONTHLY

Millions of Dollars

	United Kingdom	U. S. S. R.	Africa, Middle East and Medi- terranean Area	China, India, Australia and New Zealand	Other Countries	Total
Mar. 1941 Apr May Jun Aug Sep Oct Nov Dec	1 9 26 49 46 74 142 107		5 6 19 14 7 12 10 23	1 11 15 22 18 19	141232312	1 5 16 35 72 67 86 167 137
Jan. 1942	105 79 149 144 210 175 152 214 222 204 207	15 55 97 164 70 110 103 150 102 128 191 167	24 26 25 45 37 35 66 58 71 98 95	18 22 47 55 47 36 59 56 67 82 55	13 12 11 17 8 14 21 18 32 16 25	175 194 329 425 306 405 424 434 472 562 561 608
Jan. 1943 Feb	178 222 309 353 400 425 392 370 397 356	167 186 211 210 177 139 230 313 301 263	94 46 132 116 151 100 221 165 190 165	74 49 67 67 83 101 147 113 81 128	22 26 58 29 37 26 31 28 32 30	535 529 777 775 848 791 1,021 989 1,001 942
TOTAL EXPORTS	5,980	3,550	2,168	1,603	543	13,844

Table 13

LEND LEASE FOOD EXPORTS IN RELATION TO SUPPLY AND TO U. S. CIVILIAN POPULATION

	Exports JanOct. 1943 (Million	Exports in Percent, of Supply		Exports in Ounces Per Week per United States Civilian	
	Lbs.)	Year 1942	Jan Oct. 1943 ¹	Year 1942	Jan Oct. 1943
All Meats (dressed wt. basis) 2 Beef and Veal (dr. wt. basis) 2. Lamb and Mutton (dr. wt.	1,902.9	6.1	9.5	3.3	5.6
	100.7	0.3	1.2	0.1	0.3
basis) 2	96.7	0.4	11.7	0.01	0.3
	1,705.5	11.9	15.6	3.3	5.0
equiv) ²	3,372.6	3.6	3.3	11.0	9.9
Dry Whole Milk	14.5	6.6	13.1	0.01	0.04
Dry Skim Milk	181.2	23.0	33.8	0.3	0.5
Condensed and Evap. Milk	469.1	9.7	13.6	1.0	1.4
Butter	50.1	0.8	2.7	0.05	0.14
Cheese	117.6	23.6	12.7	0.7	0.3
Eggs, Dried (shell egg equiv.) 2 Edible Fats and Oils Canned Fish	757.8	9.5	11.6	1.6	2.2
	909.6	11.0	15.5	1.8	2.6
	197.3	17.6	23.4	0.4	0.6
Fruits: Canned Fruits and Juices 2 Dried Fruits	337.1	4.1	9.0	0.5	0.9
	231.0	15.9	21.1	0.5	0.7
Vegetables: Canned Vegetables Dried Beans Dried Peas	70.1	0.9	1.1	0.2	0.2
	242.4	4.1	10.0	0.3	0.7
	108.0	7.5	16.4	0.1	0.3
Corn and Corn Products (grain equivalent) 2	322.6	0.2	0.1	1.4	1.0
equivalent) ²	1,053.4	0.4	1,1	1.2	3.1

¹ Assumes the supply for the first 10 months of 1943 as ten-twelfths the total estimated

Table 14

supply for the entire year.

Not the weight of the finished products as processed and delivered for export. The weight of all lend-lease foods as delivered for export from Jan. 1, 1943, to Oct. 31, 1943 (not including non-food agricultural products) was reported by the Department of Agriculture as 8,688.4 million pounds.

APPENDICES

Appendix I LEND-LEASE ACT

Further to promote the defense of the United States, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "An Act to Promote the Defense of the United States."

Section 2.

As used in this Act-

(a) The term "defense article" means—

(1) Any weapon, munition, aircraft, vessel, or boat;

- (2) Any machinery, facility, tool, material, or supply necessary for the manufacture, production, processing, repair, servicing, or operation of any article described in this subsection;
- (3) Any component material or part of or equipment for any article described in this subsection;
- (4) Any agricultural, industrial or other commonty or article for defense.

Such term "defense article" includes any article described in this subsection manufactured or procured pursuant to section 3, or to which the United States or any foreign government has or hereafter acquires title, possession, or control.

(b) The term "defense information" means any plan, specification, design, prototype, or information pertaining to any defense article.

Section 3.

- (a) Notwithstanding the provisions of any other law, the President may, from time to time, when he deems it in the interest of national defense, authorize the Secretary of War, the Secretary of the Navy, or the head of any other department or agency of the Government—
 - (1) To manufacture in arsenals, factories, and shippards under their jurisdiction, or otherwise procure, to the extent to which funds are made available therefor, or contracts are authorized from time to time by the Congress, or both, any defense article for the government

of any country whose defense the President deems vital to the defense of the United States.

- (2) To sell, transfer title to, exchange, lease, lend, or otherwise dispose of, to any such government, any defense article, but no defense article not manufactured or procured under paragraph (1) shall in any way be disposed of under this paragraph except after consultation with the Chief of Staff of the Army or the Chief of Naval Operations of the Navy, or both. The value of defense articles disposed of in any way under authority of this paragraph, and procured from funds heretofore appropriated, shall not exceed \$1,300,000,000. The value of such defense articles shall be determined by the head of the department or agency concerned or such other department, agency, or officer as shall be designated in the manner provided in the rules and regulations issued hereunder. Defense articles procured from funds hereafter appropriated to any department or agency of the Government, other than from funds authorized to be appropriated under this Act, shall not be disposed of in any way under authority of this paragraph except to the extent hereafter authorized by the Congress in the Acts appropriating such funds or otherwise.
- (3) To test, inspect, prove, repair, outfit, recondition, or otherwise to place in good working order, to the extent to which funds are made available therefor, or contracts are authorized from time to time by the Congress or both, any defense article for any such government, or to procure any or all such services by private contract.

(4) To communicate to any such government any defense information, pertaining to any defense article furnished to such government under paragraph (2) of this subsection.

- (5) To release for export any defense article disposed of in any way under this subsection to any such government.
- (b) The terms and conditions upon which any such foreign government receives any aid authorized under subsection (a) shall be those which the President deems satisfactory, and the benefit to the United States may be payment or repayment in kind or property, or any other direct or indirect benefit which the President deems satisfactory.
- (c) After June 30, 1943, or after the passage of a concurrent resolution by the two Houses before June 30, 1943, which declares that the powers conferred by or pursuant to subsection (a) are no longer necessary to promote the defense of the United States, neither the President nor the head of any department or agency shall exercise any of the powers conferred by or pursuant to subsection (a); except that until July 1, 1946, any of such powers may be exercised to the extent necessary to carry out a contract or agreement with such a foreign government made before July 1, 1943, or before the passage of such concurrent resolution, whichever is the earlier.

(d) Nothing in this Act shall be construed to authorize or to permit the authorization of convoying vessels by naval vessels of the United States.

(e) Nothing in this Act shall be construed to authorize or to permit the authorization of the entry of any American vessel into a combat area in violation of section 3 of the Neutrality Act of 1939.

Section 4.

All contracts or agreements made for the disposition of any defense article or defense information pursuant to section 3 shall contain a clause by which the foreign government undertakes that it will not, without the consent of the President, transfer title to or possession of such defense article or defense information by gift, sale, or otherwise, or permit its use by anyone not an officer, employee, or agent of such foreign government.

Section 5.

(a) The Secretary of War, the Secretary of the Navy, or the head of any other department or agency of the Government involved shall, when any such defense article or defense information is exported, immediately inform the department or agency designated by the President to administer section 6 of the Act of July 2, 1940 (54 Stat. 714), of the quantities, character, value, terms of disposition, and destination of the article and information so exported.

(b) The President, from time to time, but not less frequently than once every ninety days, shall transmit to the Congress a report of operations under this Act except such information as he deems incompatible with the public interest to disclose. Reports provided for under this subsection shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session.

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Section 6.

- (a) There is hereby authorized to be appropriated from time to time, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to carry out the provisions and accomplish the purposes of this Act.
- (b) All money and all property which is converted into money received under section 3 from any government shall, with the approval of the Director of the Budget, revert to the respective appropriation or appropriations out of which funds were expended with respect to the defense article or defense information for which such consideration is received, and shall be available for expenditure for the purpose for which such expended funds were appropriated by law, during the fiscal year in which such funds are received and the ensuing fiscal year; but in no event shall any funds so received be available for expenditure after June 30, 1946.

Section 7.

The Secretary of War, the Secretary of the Navy, and the head of the department or agency shall in all contracts or agreements for the disposition of any defense article or defense information fully protect the rights of all citizens of the United States who have patent rights in and to any such article or information which is hereby authorized to be disposed of and the payments collected for royalties on such patents shall be paid to the owner and holders of such patents.

Section 8.

The Secretaries of War and of the Navy are hereby authorized to purchase or otherwise acquire arms, ammunition, and implements of war produced within the jurisdiction of any country to which section 3 is applicable, whenever the President deems such purchase or acquisition to be necessary in the interests of the defense of the United States.

Section 9.

The President may, from time to time, promulgate such rules and regulations as may be necessary and proper to carry out any of the provisions of this Act; and he may exercise any power or authority conferred on him by this Act through such department, agency, or officer as he shall direct.

Section 10.

Nothing in this Act shall be construed to change existing law relating to the use of the land and naval forces or the United States, except insofar as such use relates to the manufacture, procurement, and repair of defense articles, the communication of information and other noncombatant purposes enumerated in this Act.

Section 11.

If any provision of this Act or the application of such provision to any circumstance shall be held invalid, the validity of the remainder of the Act and the applicability of such provision to other circumstances shall not be affected thereby.

Approved, March 11, 1941.



On March 11, 1943, after affirmative votes of 407-6 in the House of Representatives and 82-0 in the Senate, the President signed the Act extending the Lend-Lease Act for 1 year.

Appendix II

BRITISH MASTER AGREEMENT

Agreement Between the Governments of the United States of America and of the United Kingdom on the Principles Applying to Mutual Aid in the Prosecution of the War Against Aggression, Authorized and Provided for by the Act of March 11, 1941.

Whereas the Governments of the United States of America and the United Kingdom of Great Britain and Northern Ireland declare that they are engaged in a cooperative undertaking, together with every other nation or people of like mind, to the end of laying the bases of a just and enduring world peace securing order under law to themselves and all nations;

And whereas the President of the United States of America has determined, pursuant to the Act of Congress of March 11, 1941, that the defense of the United Kingdom against aggression is vital to the defense of the United States of America;

And whereas the United States of America has extended and is continuing to extend to the United Kingdom aid in resisting aggression;

And whereas it is expedient that the final determination of the terms and conditions upon which the Government of the United Kingdom receives such aid and of the benefits to be received by the United States of America in return therefor should be deferred until the extent of the defense aid is known and until the progress of events makes clearer the final terms and conditions and benefits which will be in the mutual interests of the United States of America and the United Kingdom and will promote the establishment and maintenance of world peace;

And whereas the Governments of the United States of America and the United Kingdom are mutually desirous of concluding now a preliminary agreement in regard to the provision of defense aid and in regard to certain considerations which shall be taken into account in determining such terms and conditions and the making of such an agreement has been in all respects duly authorized, and all acts, conditions and formalities which it may have been necessary to perform, fulfill or execute prior to the making of such an agreement in conformity with the laws either of the United States of America or of the United Kingdom have been performed, fulfilled or executed as required;

The undersigned, being duly authorized by their respective Governments for that purpose, have agreed as follows:

Article I

The Governments of the United States of America will continue to supply the Government of the United Kingdom with such defense articles, defense services, and defense information as the President shall authorize to be transferred or provided.

Article II

The Government of the United Kingdom will continue to contribute to the defense of the United States of America and the strengthening thereof and will provide such articles, services, facilities of information as it may be in a position to supply.

Article III

The Government of the United Kingdom will not without the consent of the President of the United States of America transfer title to, or possession of, any defense article or defense information transferred to it under the Act or permit the use thereof by anyone not an officer, employee, or agent of the Government of the United Kingdom.

Article IV

If, as a result of the transfer to the Government of the United Kingdom of any defense article or defense information, it becomes necessary for that Government to take any action or make any payment in order fully to protect any of the rights of a citizen of the United States of America who has patent rights in and to any such defense article or information, the Government of the United Kingdom will take such action or make such payment when requested to do so by the President of the United States of America.

Article V

The Government of the United Kingdom will return to the United States of America at the end of the present emergency, as determined by the President, such defense articles transferred under this Agreement as shall not have been destroyed, lost or consumed and as shall be determined by the President to be useful in the defense of the United States of America or of the Western Hemisphere or to be otherwise of use to the United States of America.

Article VI

In the final determination of the benefits to be provided to the United States of America by the Government of the United Kingdom full cognizance shall be taken of all property, services, information, facilities, or other benefits or considerations provided by the Government of the United Kingdom subsequent to March 11, 1941, and accepted or acknowledged by the President on behalf of the United States of America.

Article VII

In the final determination of the benefits to be provided to the United States of America by the Government of the United Kingdom in return for

aid furnished under the Act of Congress of March 11, 1941, the terms and conditions thereof shall be such as not to burden commerce between the two countries, but to promote mutually advantageous economic relations between them and the betterment of world-wide economic relations. To that end, they shall include provision for agreed action by the United States of America and the United Kingdom, open to participation by all other countries of like mind, directed to the expansion, by appropriate international and domestic measures, of production, employment, and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples; to the elimination of all forms of discriminatory treatment in international commerce, and to the reduction of tariffs and other trade barriers; and, in general, to the attainment of all the economic objectives set forth in the Joint Declaration made on August 12, 1941, by the President of the United States of America and the Prime Minister of the United Kingdom.

At an early convenient date, conversations shall be begun between the two Governments with a view to determining, in the light of governing economic conditions, the best means of attaining the above-stated objectives by their own agreed action and of seeking the agreed action of other

like-minded Governments.

Article VIII

This Agreement shall take effect as from this day's date. It shall continue in force until a date to be agreed upon by the two Governments.

Signed and sealed at Washington in duplicate this 23d day of February, 1942.

For the Government of the United States of America:

[SBAL]

SUMNER WELLS,

Acting Secretary of State of the United States of America.

For the Government of the United Kingdom of Great Britain and Northern Ireland:

[SBAL]

HALIFAX

His Majesty's Ambassador Extraordinary and Plenipotentiary at Washington.

Appendix III

MODUS VIVENDI ON RECIPROCAL AID IN FRENCH NORTH AND WEST AFRICA

The Government of the United States and the French Committee of National Liberation desirous of lending each other the reciprocal aid necessary to the prosecution of the joint war effort are agreed upon the following provisional Modus Vivendi which will, following signature, be applicable in French North and West Africa:

I. With reference to supplies and services urgently needed to maintain the French war effort, which the United States has furnished to the French authorities and will continue to furnish, within limitations of need and

supply, it is understood that:

- (a) Military aid, including supplies for railroads, docks, public utilities and other facilities to the extent that such supplies are determined to be military aid is made available on a straight Lend-Lease basis, in the light of the considerations set forth in Paragraph V. Such aid does not include the pay and allowances of French forces. The United States reserves the right to require the return of any articles furnished under this paragraph and not lost, destroyed or consumed,
 - (i) if at any time it is decided that such restitution would be an advantage in the conduct of the war, or
 - (ii) if at the end of the present emergency as determined by the President of the United States, the President shall determine that such articles are useful in the defense of the United States or of the Western Hemisphere, or to be otherwise of use to the United States.
- (b) For all civilian supplies imported from the United States, the French authorities will pay upon the basis of prices to be agreed. Payment will be made, currently at convenient intervals, in dollars, to an appropriately designated account in the United States.

(c) The distinction between civilian and military aid, supplies and services, where such distinction may be necessary, will be made by agreement.

- (d) All aid furnished under Paragraph I (a) and I (b) will be made available by the United States under the authority and subject to the terms and conditions provided for in the Act of Congress of 11 March, 1941, as amended (P. L. 11, 77th Congress, 1st Session).
- II. With reference to supplies and services urgently needed to maintain the United States war effort, which the French authorities have furnished

to the United States and will continue to furnish, within limitations of

need and supply, it is understood that:

(a) The French authorities undertake to make available to or for the use of the armed forces and other governmental agencies of the United States, as reverse Lend-Lease aid to the United States, on a straight Lend-Lease basis, when it is found that such aid can most effectively be procured in territory under their control,

(i) military equipment, munitions, and military and naval stores;

(ii) other supplies, materials, facilities and services for United States forces, including the use of railway and port facilities, but not including the pay and allowances of such forces nor the administrative expenses of American missions;

(iii) supplies, materials, facilities and services, except for the wages and salaries of United States citizens, needed in the construction of military projects, tasks and similar capital works required in the common war effort, to the extent that French North or West Africa is the most practicable source of such supplies, materials, facilities or services;

(iv) such other supplies, materials, services or facilities as may be agreed upon as necessary in the prosecution of the war, but not including exports of civilian supplies to the United States from North and

West Africa.

While the French authorities retain, of course, the right of final decision, subject to the obligations and arrangements they have entered into for the prosecution of the war, decisions as to the most effective use of resources shall, so far as possible, be made in common, pursuant to common plans for winning the war.

(b) All civilian supplies exported from French North and West Africa to the United States will be paid for on the basis of prices to be agreed. Payment will be made currently, at convenient intervals, in dollars, to an appropriate designated account in the United States.

(c) The distinction between civilian and military aid, supplies and services, where such distinction may be necessary, will be made by agree-

ment.

- (d) In order to obtain the supplies and services included within the scope of Paragraph II (a), duly authorized United States officers or other officials will submit their requests to the official services duly designated by the French authorities. These services will be established in Algiers, Casablanca, Oran, Tunis, Dakar, and other places where it may be found practicable and convenient to establish organizations for facilitating the transfer of reciprocal aid.
- (e) For use in those exceptional cases, and particularly in cases of local procurement of supplies, in which it is agreed to be more practicable to secure such reverse Lend-Lease supplies, facilities and services by direct purchase, rather than by the method of procurement set forth in Paragraph II (b), it is agreed that the French authorities establish a franc account in convenient banking institutions and in the name of a designated officer of the United States to facilitate the provision of reverse Lend-Lease aid as con-

templated by Paragraph II (a). The French contributions to this account will be mutually agreed upon from time to time in the light of the changing needs of the American forces, and other appropriate factors. Such an account will not be used for the payment of wages and salaries of American military or civilian personnel, nor for administrative expenses of American missions. Estimates of the franc requirements of the United States will be submitted to designated French authorities from time to time, as may be found convenient. The French authorities will be kept fully and currently informed of all transactions in this account.

III. In exceptional cases, and when they deem it preferable, the American military forces, or other agencies of the United States Government, may continue to use their present practice of acquiring francs against dollars from the French authorities.

IV. Adequate statistical records will be kept of all goods and services

exchanged as mutual aid under paragraphs I and II above.

V. The provisions of this modus vivendi correspond to a desire to reduce to an appropriate minimum the need of either party for currency of the other party. Provisions which call for payments in dollars have been decided upon in view of the special situation arising from accumulated dollar balances and availabilities of dollar funds due to the presence of United States troops in French North and West Africa. Revision of the payment provisions of this modus vivendi will be made should the situation require.

Signed at Algiers this 25th day of September, A. D. 1943.

For the Government of the United States of America:

/s/ ROBERT MURPHY

For the French Committee of National Liberation:

/s/ Massigli /s/ Jean Monnet

Appendix IV

EXECUTIVE ORDER ESTABLISHING FOREIGN ECONOMIC ADMINISTRATION

By virtue of the authority vested in me by the Constitution and the statutes of the United States, as President of the United States and Commander in Chief of the Army and Navy, and in order to unify and consolidate governmental activities relating to foreign economic affairs, it is hereby ordered as follows:

- 1. There is established in the Office for Emergency Management of the Executive Office of the President the Foreign Economic Administration (hereinafter referred to as the Administration), at the head of which shall be an Administrator.
- 2. The Office of Lend-Lease Administration, the Office of Foreign Relief and Rehabilitation Operations, the Office of Economic Warfare (together with the corporations, agencies, and functions transferred thereto by Executive Order No. 9361 of July 15, 1943), the Office of Foreign Economic Coordination (except such functions and personnel thereof as the Director of the Budget shall determine are not concerned with foreign economic operations) and their respective functions, powers, and duties are transferred to and consolidated in the Administration.
- 3. The Administrator may establish such offices, bureaus, or divisions in the Administration as may be necessary to carry out the provisions of this order, and may assign to them such of the functions and duties of the offices, agencies and corporations consolidated by this order as he may deem desirable in the interest of efficient administration.
- 4. The powers and functions of the Administration shall be exercised in conformity with the foreign policy of the United States as defined by the Secretary of State. As soon as military operations permit, the Administration shall assume responsibility for and control of all activities of the United States Government in liberated areas with respect to supplying the requirements of and procuring materials in such areas.
- 5. All the personnel, property, records, funds (including all unexpended balances of appropriations, allocations, or other funds now available), contracts, assets, liabilities, and capital stock (including shares of stock) of the offices, agencies, and corporations consolidated by paragraph 2 of this order are transferred to the Administration for use in connection with the exercise and performance of its functions, powers, and duties. In the case of capital stock (including shares of stock), the transfer shall be to such agency, corporation, office, officer, or person as the Administrator shall designate. The Administrator is authorized to employ such personnel as may be necessary in the performance of the functions of the Administration and in order to carry out the purposes of this order.

6. No part of any funds appropriated or made available under Public Law 139, approved July 12, 1943, shall hereafter be used directly or indirectly by the Administrator for the procurement of services, supplies, or equipment outside the United States except for the purpose of executing general economic programs or policies formally approved by a majority of the War Mobilization Committee in writing filed with the Secretary of State prior to any such expenditure.

7. All prior Executive Orders insofar as they are in conflict herewith are amended accordingly. This order shall take effect upon the taking of office by the Administrator, except that the agencies and offices consolidated by paragraph 2 hereof shall continue to exercise their respective functions

pending any contrary determination by the Administrator.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, September 25, 1943.

Appendix V EXECUTIVE ORDER ESTABLISHING OFFICE OF LEND-LEASE ADMINISTRATION

By virtue of the authority vested in me by the Constitution and statutes of the United States, and particularly by the Act of March 11, 1941, entitled "An Act further to promote the defense of the United States and for other purposes" (hereafter referred to as the Act), and by the Defense Aid Supplemental Appropriation Act, 1941, approved March 27, 1941, and acts amendatory or supplemental thereto, in order to define further the functions and duties of the Office for Emergency Management of the Executive Office of the President in respect to the national emergency as declared by the President on May 27, 1941, and in order to provide for the more effective administration of those Acts in the interests of national defense, it is hereby ordered as follows:

- 1. There shall be in the Office for Emergency Management of the Executive Office of the President an Office of Lend-Lease Administration, at the head of which shall be an Administrator, appointed by the President, who shall receive compensation at such rate as the President shall approve and, in addition, shall be entitled to actual and necessary transportation subsistence, and other expenses incidental to the performance of his duties.
- 2. Subject to such policies as the President may from time to time prescribe, the Administrator is hereby authorized and directed, pursuant to Section 9 of the Act, to exercise any power or authority conferred upon the President by the Act and by the Defense Aid Supplemental Appropriation Act, 1941 and any acts amendatory or supplemental thereto, with respect to any nation whose defense the President shall have found to be vital to the defense of the United States: *Provided*, That the master agreement with each nation receiving lend-lease aid, setting forth the general terms and conditions under which such nation is to receive such aid, shall be negotiated by the State Department, with the advice of the Economic Defense Board and the Office of Lend-Lease Administration.
- 3. The Administrator shall make appropriate arrangements with the Economic Defense Board for the review and clearance of lend-lease transactions which affect the economic defense of the United States as defined in Executive Order No. 8839 of July 30, 1941.
- 4. Within the limitation of such funds as may be made available for that purpose, the Administrator may appoint one or more Deputy or Assistant Administrators and other personnel, delegate to such Deputy or Assistant Administrators any power or authority conferred by these orders, and make provision for such supplies, facilities, and services as shall be necessary to carry out the provisions of this Order. In so far as practicable, the Office of Lend-Lease Administration shall use such general business services and facilities as may be made available to it through the Office for Emergency Management.
- 5. Executive Order No. 8751 of May 2, 1941, establishing the Division of Defense Aid Reports and defining its functions and duties, is hereby revoked.

THE WHITE HOUSE,

October 28, 1941.

FRANKLIN D. ROOSEVELT

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FOURTEENTH REPORT TO CONGRESS ON LEND-LEASE OPERATIONS

For the Period Ended December 31, 1943

FOURTEENTH REPORT TO CONGRESS ON LEND-LEASE OPERATIONS

APRIL STAN

For the Period Ended December 31, 1943

"The President from time to time, but not less frequently than once every ninety days, shall transmit to the Congress a report of operations under this Act except such information as he deems incompatible with the public interest to disclose."

[From Section 5, subsection b, of "An Act to Promote the Defense of the United States" (Public Law No. 11, 77th Congress, 1st Session).]

For sale by the Superintendent of Documents, U. S. Government Printing Office Washington 25, D. C. - Price 20 cents



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LETTER OF TRANSMITTAL

To the Congress of the United States of America:

Under the authority vested in me by the Executive Order of September 25, 1943, and pursuant to the direction of the President, I am submitting herewith to the Seventy-Eighth Congress, a report on operations under the Lend-Lease Act, from the passage of the Act, March 11, 1941, to December 31, 1943.

Leo T. Crowley,

Administrator, Foreign Economic Administration.

Washington, D. C.,

March 11, 1944.

(Filed March 11, 1944, with the Secretary of the Senate and the Clerk of the House of Representatives as provided in Section 5-b of the Lend-Lease Act.)

Chapter 1

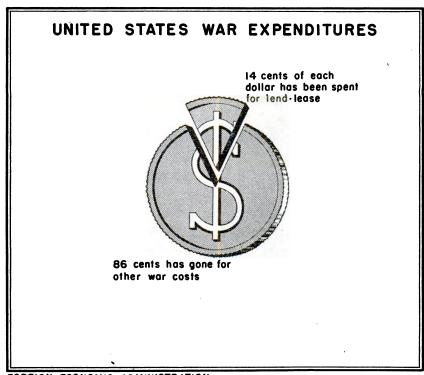
LEND-LEASE RESULTS

March 11, 1944 is the third anniversary of the passage of the Lend-Lease Act. The forces of the United Nations today are advancing against the enemy on all the war fronts of the world. This is in marked contrast to the situation 3 years ago, when the Lend-Lease Act was being debated. Then the armies on the offensive were those of the Axis Powers. The German Army had overrun much of Europe, and Japan was rapidly accomplishing her objectives in the Far East. Today the U. S. Air Forces, joined with the R. A. F., are striking at the heart of the Nazi air power and war production, and preparing the way for the coming invasion. The Soviet Armies, equipped in part with lend-lease supplies, are continuing to roll the Nazis back toward the German border by their magnificent offensives. Our forces joined with the British are progressing in Italy. In the Pacific, combined operations are moving the Japanese back.

The enemy forces which now face our own army, navy, and air forces have been materially weakened because of the lend-lease aid furnished to our allies. Countless Axis soldiers have been killed by lend-lease planes, guns, and other weapons used by our allies.

Lend-Lease Costs in Relation to Total War Costs

Of our total war expenditures to the end of 1943, 86 percent went for our armed forces and the home front. The other 14 percent went for lend-lease aid to our allies. Lend-lease is as essential and integral a part of our war effort as the expenditures for our own forces. It is certainly no less a contribution to the common cause for the United States to furnish an American bomber with an American pilot to fly over Germany than



FOREIGN ECONOMIC ADMINISTRATION

Chart 1

it is to supply an American bomber flown over Germany by a British, Czech, Norwegian, Polish or Dutch pilot. In both cases the purpose is to secure the defeat of our common enemies as quickly as possible. If it were not for lend-lease, our own expenditures of lives, materials, and money would of necessity be far greater.

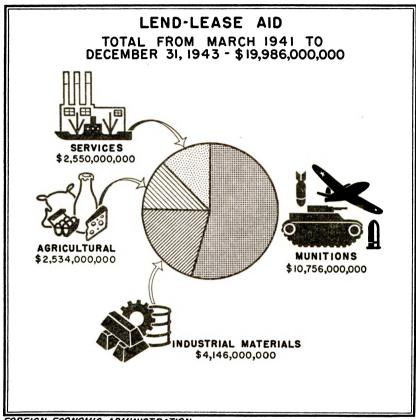
Total Lend-Lease Aid

Total lend-lease aid from the beginning of the program in March 1941 to December 31, 1943, amounted to \$19,986,000,000.

Aid furnished in the year 1943 totaled \$11,733,000,000, compared with \$7,009,000,000 in 1942 and \$1,244,000,000 in 1941.

Planes, bombs, tanks, ships, guns, and other munitions accounted for the greatest part of total aid. For the entire period they represented 54 percent of the total. The ratio was 22 percent in 1941, 47 percent in 1942, 62 percent in the year 1943 and 67 percent in December 1943.

Of the 150,000 planes produced in this country since March 1941, we have sent 21,000 to our allies under lend-lease. In addition, we have exported 7,000 planes paid for in cash, principally by the British. Between March 11, 1941, and January 1, 1944, 7,800 planes went to the Soviet Union, 4,000 to allied forces in the Pacific and Far East theaters and more than 16,000 to all other combat and training areas abroad.



FOREIGN ECONOMIC ADMINISTRATION

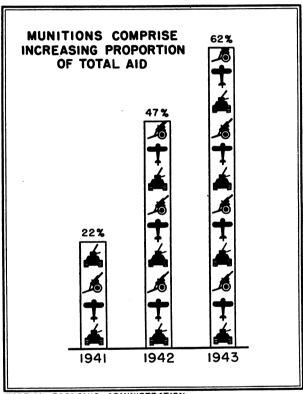
Chart 2

Although the British and Russians themselves produce most of the vast armada of planes they are using in this war, their production has been greatly helped by the aircraft engines and parts, the aluminum, steel and other materials sent under lendlease. Lend-lease exports of aircraft engines and parts to our allies since March 1941 totalled more than one billion dollars.

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Our allies have obtained for cash in the same period aircraft engines and parts from the United States valued at an additional \$560,000,000. We have also lend-leased hundreds of millions of gallons of aviation gasoline and large quantities of incendiary and demolition aerial bombs and explosives.

Industrial materials and products transferred to our allies to aid their production of planes, ammunition, and other vital war supplies amounted to \$4,146,000,000 to the end of 1943.



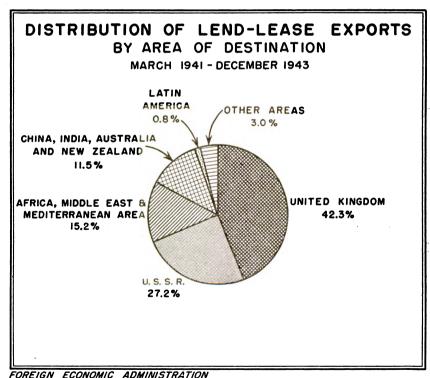
FOREIGN ECONOMIC ADMINISTRATION

Chart 3

All of these materials and products are used for direct war purposes. Petroleum products are used largely by our allies to keep their planes, ships, tanks, and trucks in operation. Metals and machinery are furnished for the production by our allies of ships, planes, and other munitions in the greatest possible quantities. Other materials are supplied to our allies for similar vital uses.

The third principal group of lend-lease supplies consists of foodstuffs and other agricultural products. Transfers of these commodities to the end of 1943 amounted to \$2,534,000,000. Foodstuffs accounted for \$2,090,000,000 and other agricultural products for \$444,000,000. Lend-lease food shipments have supplied a vital 10 percent of Britain's food supply and enabled the Soviet Union to maintain the Red Army's rations.

Essential services furnished to lend-lease countries, as distinguished from supplies, totaled \$2,550,000,000 to the end of 1943. More than half of this amount—\$1,451,000,000—represented the rental and charter of ships to move war supplies to the theaters of war, the ferrying of aircraft, and similar transport services. Servicing and repair of allied ships and other war equipment amounted to \$407,000,000. Production facilities built in the United States with lend-lease funds to produce war and other vital materials are valued at \$605,000,000.



Cl.

Chart 4

These facilities are a net addition to our own industrial capacity. The cost of the allied pilot-training program and miscellaneous services account for the remaining \$87,000,000 of the services total.

Lend-Lease Exports

Figures on total lend-lease aid do not show to which countries the goods are sent. Since lend-lease exports are classified by country of destination, the export data are extremely useful in showing in what theaters of war lend-lease supplies are used.

Lend-lease exports in 1943 were more than twice as large as in 1942. Great increases were registered in shipments to all the principal areas, as indicated by the following tabulation.

PERCENTAGE INCREASES IN LEND-LEASE EXPORTS

Country of Destination	% Increase 1943 over 1942
United Kingdom U. S. S. R. Africa and Middle East China, India, Australia, and New Zealand Other Countries	114
All countries	103

Table 1

More detailed information on exports, by category as well as by area, will be found in succeeding chapters of this report.

Chapter 2

COMPARATIVE WAR EXPENDITURES

The world-wide pattern of lend-lease and reverse lend-lease is an essential part of the war effort of the United Nations. In effect, a pool of resources has been created into which contributions are placed and from which withdrawals are made as the demands of the many fighting fronts dictate. Each of our major fighting partners is contributing fully from its resources to the defeat of the Axis Powers, though the contributions of each differ with the circumstances of war and the resources that are available.

The war contribution of some of our allies has of necessity taken the form of direct use of their own production and of those munitions and supplies which have been made available to them by their less hard-pressed allies. Russia and China, fighting to throw back the invader from their own territories, have found a magnificently effective use for all of the guns and tanks and planes that they could produce or that their allies could send to them. The United Kingdom, which has been heavily bombed and is now the base for the combined British-American air offensive on Germany and for the coming invasion, has nevertheless been able to turn over substantial quantities of supplies to the forces of the United States, the Soviet Union, and other United Nations. The United States, which is located far from the fighting zones and has by far the greatest industrial capacity, is able to make available to its allies much larger quantities of munitions and other war supplies, while still retaining far the greater part for its own armed forces.

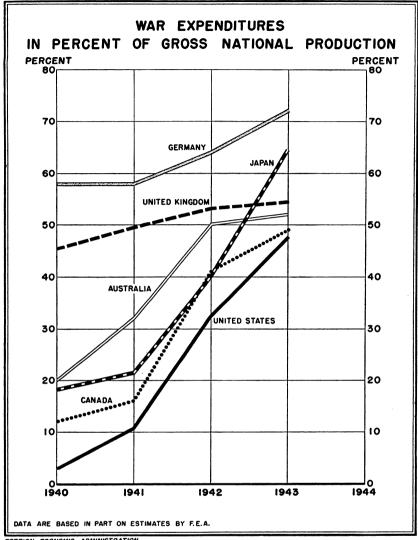
The costs of mutual aid—of lend-lease and reverse lend-lease—are only a small part of the war expenditures even of those nations which have contributed most heavily to their

allies in the form of supplies. For example, 14 percent of the war expenditures of the United States have been for lend-lease. These expenditures have not been less effective in promoting the defense of the United States and bringing nearer the ultimate defeat of the enemy than has the 86 percent of our war production which has been used by our own armed forces. The decision as to whether one of the United Nations is to use directly the whole of its own production or is to send a part of it to its allies is made by the military authorities in the light of the over-all military strategy of the war and without regard to purely financial considerations. The production of the United States, the United Kingdom, and Canada is allocated among the United Nations by the Combined Boards on which are represented the military and economic high commands of the three powers.

The over-all costs of the war cannot be measured in dollars. The men who fell at Stalingrad and Salerno, in Tunisia and at Changsha; the immeasurable havoc which the war has created with human lives and happiness; the destruction of homes and cities—these are claims of war that can never be evaluated in monetary terms.

To the extent that the cost of war can be measured in financial terms, probably the best measurement is the proportion of its national production which each of the United Nations is devoting to the war. As long as each country spends roughly the same proportion of its gross national production for the defeat of the Axis powers, the financial burden is distributed equally among the United Nations in accordance with their ability to pay. Those with the most to give, give the most but they do not contribute more in proportion to their capacity than those that draw upon more limited resources.

Trends of war expenditures of several nations as percentages of their gross national production are shown in Chart 5. These ratios were computed in the Foreign Economic Administration on the basis of the best statistical information available. Obviously the accuracy and reliability of such measurements vary between the different countries. In view of the



FOREIGN ECONOMIC ADMINISTRATION

Chart 5

nature of the basic data, the ratios shown in the chart should be regarded as approximations of trends and relationships rather than as exact statistical measurements. The chart gives a correct picture of the general situation, however.

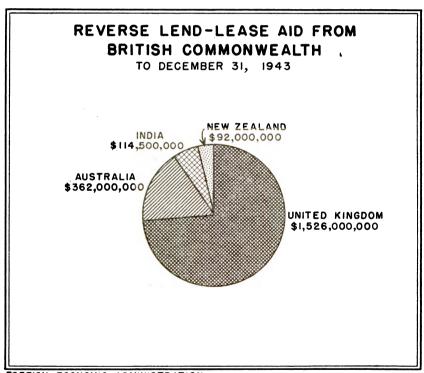
Our principal allies have been carrying on the war against the Axis longer than we have. Before Pearl Harbor, the United Kingdom, Canada, Australia, and New Zealand were

devoting from about one-fourth to one-half of their gross national production to the defeat of the enemy. In 1941 the United States spent only one-tenth of its income for the war. Today the nations of the British Commonwealth are contributing approximately 50 percent of their gross national production to the war. The United States is just now reaching the point where one-half of our gross national production is devoted to war purposes, including transfers under lend-lease. Thus, at the present time, the financial claims of war against the United States and our principal allies are approximately equal.

When the money costs of the war fall according to the rule of equality of financial sacrifice, no nation grows wealthy from the war effort of its allies and each nation fulfills its responsibility to contribute to the fullest extent to the defeat of the enemy. The claims of war against each are comparatively the same in terms of production and finance.

Chapter 3 REVERSE LEND-LEASE

The principal war benefit we receive from the lend-lease aid that we extend to our allies is the damage which they are enabled to do to our enemies—and theirs—because of the supplies we send. Lend-lease is an effective method of waging war—of saving lives and of saving time.



FOREIGN ECONOMIC ADMINISTRATION

Chart 6

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An additional war-time benefit which the United States receives as a result of our lend-lease aid is the reverse lend-lease aid furnished to us by our allies. Reverse lend-lease consists of goods, services and information provided to the United States by our allies without payment by us and on the same terms as we provide direct lend-lease assistance.

A steadily increasing volume of reverse lend-lease aid has been furnished to us by our allies, principally by the countries of the British Commonwealth of Nations. We are also receiving reverse lend-lease supplies and services as the need arises from the French Committee of National Liberation, Belgium, the Netherlands, the Soviet Union and China.

The United Kingdom, Australia, New Zealand and India estimate that they spent more than \$2,000,000,000 for supplies and services furnished to our armed forces and merchant marine overseas as reverse lend-lease from June 1, 1942 to December 31, 1943, in the following major categories:

TOTAL REVERSE LEND-LEASE AID FROM BRITISH COMMONWEALTH

Through December 31, 1943

United Kingdom	¹ \$1,526,170,000
Australia	362,365,000
New Zealand	91,886,000
India	114,451,000
	² 2,094,872,000

¹ Includes \$1,366,170,000 for aid furnished our forces in the British Isles and for shipping services, together with \$160,000,000 for reverse lend-lease supplies transferred to our forces by the United Kingdom in various combat areas outside the British Isles. On the basis of records so far compiled from these overseas areas the United Kingdom Government estimates that these transfers totalled between \$160,000,000 and \$200,000,000 through December 1943.

Table 2

By the first of this year we were receiving reverse lend-lease aid from these four countries at a rate approaching \$2,000,000,000 a year compared with a rate of a little over \$1,000,000,000 a year for the 12 months ending June 30, 1943.

² Does not include the value of strategic raw materials, commodities and foodstuffs shipped to the United States under reverse lend-lease, other than benzol.

Approximately one-third of all the supplies and equipment currently required by United States forces in the United Kingdom is supplied by the British and it is supplied as reverse lend-lease, without cost to us. In addition, virtually all housing and headquarters accommodations, airdrome facilities, transportation services, civilian labor, and miscellaneous services needed by our forces are supplied as reverse lend-lease.

We have received over a billion and a quarter pounds of food as reverse lend-lease from the United Kingdom, Australia, New Zealand, and India, in addition to planes, guns, and many thousands of other items of military equipment and supplies, airfields, and other facilities for our forces.

Most of the food has been furnished under reverse lend-lease by Australia and New Zealand. These two countries, with a combined population only one-fifteenth as large as ours, provided over 800,000,000 pounds of food to our forces in the Pacific from June 1942 to January 1, 1944. In the last three months of 1943, Australia and New Zealand alone were furnishing United States Army, Naval, and Marine forces in the Pacific theaters with food at a rate approaching a billion pounds a year.

We have received almost a quarter of a billion pounds of fresh, frozen, and canned meats from Australia and New Zealand, including approximately as much beef and veal as we have sent to all countries from the United States under lend-lease.

In addition to food from Australia and New Zealand, United States forces in the British Isles have received about 350,000,000 pounds of food from the United Kingdom and almost 50,000,000 pounds have been furnished to our forces in India as reverse lend-lease. The British have, in addition, supplied American forces with substantial quantities of food in various colonial areas. In the Fijis alone, for example, they have provided our men with 15,000,000 pounds of fresh fruits and vegetables, including quantities of sweet corn, bananas, pineapples, and coconuts.

United States forces in the Mediterranean theater have also received as reverse lend-lease from the French many millions of pounds of food grown in French North and West Africa. French Africa is also helping to meet the food needs of the United Nations in Sicily and Italy.

Besides reverse lend-lease aid received in the United Kingdom, Australia, New Zealand, and India, we have received supplies and services as reverse lend-lease from the British in Central Africa, Iceland, the Fijis, the Caribbean, the Middle East, and North Africa; the French National Committee in North and West Africa, Equatorial Africa, and New Caledonia; Belgium in the Belgian Congo; the Netherlands in Surinam (Dutch Guiana) and the West Indies; and from China and the Soviet Union.

United States military and naval forces, our merchant marine, and the Red Cross have received without payment in overseas areas virtually every type of supply and service they need which our allies can supply locally.

The cataloguing of the supplies and services which have been transferred under reverse lend-lease would require thousands of pages and list hundreds of thousands of items. They include all types of construction facilities—airfields and air bases, barracks, hospitals, warehouses and storage depots, ships and port facilities; foodstuffs and clothing and other quartermaster issues; all grades of petroleum products; munitions and military and naval stores; land, sea, and air transportation of personnel and freight; telegraph and telephone communications and postal facilities; civilian labor and miscellaneous services. In addition our military and naval vessels and merchant marine fleet receive oil, ship stores and supplies, stevedoring and port expenses as reverse lend-lease in British ports and British areas throughout the world.

The figures reported up to now for reverse lend-lease are an incomplete reflection of the value to us of these supplies and services. Reverse lend-lease expenditures by the British Commonwealth countries are made in their own currencies. The dollar figures are arrived at by translating pounds into dollars at official rates of exchange, which may not reflect adequately the lower prices usually prevailing in foreign countries and may understate the real value of the aid which

we receive from our allies. The figures are incomplete for other reasons. They do not include all the reverse lend-lease aid rendered on the spot in combat areas. Furthermore, accounting is slow and incomplete at best, because reverse lend-lease supplies are provided at thousands of different places all over the world, in large measure out of stocks on hand. This is in contrast to outgoing lend-lease supplies from the United States, which flow from a single, central source under a unified appropriations and procurement procedure.

United Kingdom

The United Kingdom Government's estimates of its reverse lend-lease expenditures are shown in the following table.

REVERSE LEND-LEASE AID BY UNITED KINGDOM

Thousands of Dollars

(Conversion From Pound Sterling at \$4.03)

	To DEC. 31, 1943	To SEPT. 30,
Goods and Services transferred	23.13	-5.5
in the United Kingdom	\$535,990	\$407,030
Shipping Services	282,100	225,680
Airports, Barracks, Hospitals,		
and other Construction	548,080	471,510
Goods and Services transferred		,
outside the United Kingdom	¹ 160,000	
· ·	² 1,526,170	1,104,220

Overseas expenditures for reverse lend-lease aid are estimated by the United Kingdom

Table 3

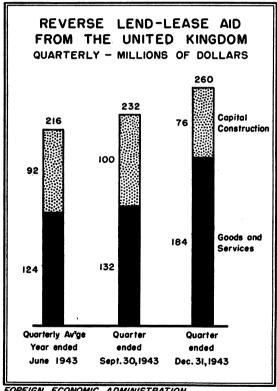
We are receiving reverse lend-lease aid from the United Kingdom at a steadily increasing rate. (See Chart No. 7.)

Tens of thousands of items, big and little, have been and are being supplied to United States Army, Naval and Air Forces in the United Kingdom as reverse lend-lease.

Government to total between \$160,000,000 and \$200,000,000 up to December 31, 1943.

Figures reported by the U. K. Government for last quarter of 1943 are preliminary.

The supplies we have received for the 8th and 9th U.S. Army Air Forces range from several hundred planes to hundreds of thousands of small tools and parts for use in the big repair and maintenance depots, which the British have built for us along with the air bases from which our planes operate. Our fliers who must operate in the extreme cold of high altitudes and against heavy fighter and antiaircraft opposition in their daylight raids, get specially armored flak suits and heated flying suits as reverse lend-lease and the British have also developed electrically heated muffs for our air-force gunners.



FOREIGN ECONOMIC ADMINISTRATION

The figures shown above do not include reverse lend-lease supplies transferred by the United Kingdom outside the British Isles, estimated between \$160,000,000 and \$200,000,-000 as of December 31, 1943. Neither do they include the value of commodities shipped to the United States as reverse lend-lease aid, except benzol.

Chart 7

The British have now put into production and are turning over to us as reverse lend-lease newly designed and extremely lightweight auxiliary gas tanks. These easily jettisoned tanks have already enabled our P-47 Thunderbolt fighters to escort American Flying Fortresses and Liberators deeper inside Germany than ever before.

Two other reverse lend-lease items of vital importance to our fliers are the one-man dinghies devised and produced by the British for fliers forced down at sea and the mobile repair shops that have been provided throughout the British Isles for the salvage of planes which crash-land away from their bases.

Into our Air Force repair and maintenance depots flows a constant stream of reverse lend-lease materials, parts and other equipment necessary to maintain our aircraft at peak fighting efficiency and to meet constantly changing battle conditions. Recent requisitions to meet our plane repair and adaptation needs which have been filled by the British without payment by us include items as varied as 1,357,730 square feet of steel and light alloy sheets and 235,000 rubber shock absorbers.

U. S. Army Engineers in the United Kingdom have received as reverse lend-lease over 44,250,000 yards of steel landing mats, hundreds of miles of electric wiring, several million square feet of wallboard, millions of spare parts for motorized equipment and thousands of other items.

Twenty percent of the food consumed by our forces in the United Kingdom is provided as reverse lend-lease, in spite of British food shortages. Over three-fourths of United States Army medical supplies in the United Kingdom are supplied as reciprocal aid, together with both newly built and requisitioned hospitals and ambulance 'trains. Our forces had received by the first of this year such items of uniform equipment as 1,750,000 pairs of woolen socks and nearly 1,500,000 pairs of woolen gloves.

Besides the Air Force and Army bases and barracks built for us under reverse lend-lease, the British Government pays the bills for billeting United States officers and men in private residential buildings. In one area alone in the United Kingdom, the British have recently been paying for billeting 27,000 officers and men. All official telephone, telegraph and transportation costs of the United States forces and heat, light, and water bills are also paid for by the British.

Australia

The Australian Government's estimates of its reverse lendlease expenditures are shown in the following table:

REVERSE LEND-LEASE AID FROM AUSTRALIA

Through December 31, 1943

(Conversion From Australian Pound at \$3.23)

Stores and provisions	\$95,121,000
Technical equipment	8,229,000
Motor transport	31,479,000
Aircraft stores and equipment	35,442,000
General stores	43,372,000
Transportation and communication.	28,926,000
Shipping	23,280,000
Works, buildings, and hirings	92,990,000
Miscellaneous	3,526,000
	362,365,000

Table 4

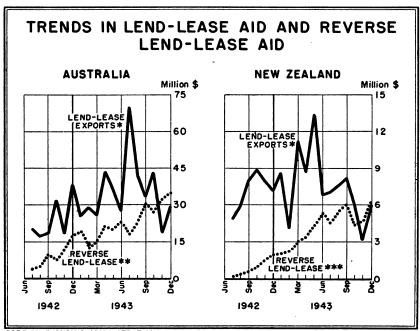
About eighteen percent of Australia's current war expenditures are being made for reverse lend-lease aid to the United States. The rate of expenditure has risen rapidly and the Australian Government is now spending at the rate of a million dollars a day for reverse lend-lease aid furnished to us. The present monthly rate of reverse lend-lease aid furnished by Australia approximates the rate of lend-lease supplies being currently sent to Australia by the United States. (See Chart 8.)

More than 90 percent of the food for American forces in the Southwest Pacific theater is being supplied as reverse lend-lease by Australia, together with large quantities of food for the forces under Admiral Halsey's command in the South Pacific theater.

Up to January 1, 1944, we had received over 500,000,000 pounds of food from Australia, including the following major items:

Beef	.pounds	75,577,000
Pork	do	37,788,000
Lamb	do	12,596,000
Bread & Cereals	do	100,831,000
Emergency Rations	do	28,414,000
Fruits & Vegetables	do	97,442,000
Canned Foods	do	91,158,000
Butter	do	12,429,000
Sugar	do	28,562,000
Eggs	dozen	32,060,000

In 1944, we expect to receive between \$150,000,000 and \$200,000,000 worth of food from Australia, including at least 250,000,000 pounds of meat.



FOREIGN ECONOMIC ADMINISTRATION

Chart 8

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^{*}Exports on merchant vessels from United States.

^{**} Official estimate of total cost to Australia of reverse lend-lease to United States.
*** Foodstuffs, supplies, and services. Excludes construction expenditures.

Among the thousands of miscellaneous items of equipment and supplies furnished to us by Australia are Army boots and uniform shirts, jackets and trousers by the hundred thousands. We expect to receive a million pairs of Army boots alone in 1944.

Almost all the tires for American Army trucks are supplied as reverse lend-lease. Australia has turned over to us fleets of trawlers, launches, ketches, and small coastal steamers for use on the New Guinea and New Britain coasts and is currently engaged in a \$40,000,000 program for the construction of landing craft and barges for use in our Pacific operations.

As in the case of the United Kingdom, New Zealand, and India, the figures for reverse lend-lease aid from Australia converted to dollars from pounds at the official exchange rate understate the financial value of this aid to us because of lower prices for many items in Australia. For example, Australia is currently engaged in filling reverse lend-lease orders for 1,000,000 blankets for the American Army at a cost to the Australian Government of \$2.64 a blanket. Substantially the same item costs \$7.67 in the United States. Similarly, many important foodstuffs cost only half as much in Australia as in the United States.

New Zealand

The New Zealand Government's estimates of reverse lendlease expenditures are shown in Table 5.

The first American Army troops landed in New Zealand in June, 1942. A month earlier the New Zealand Government made its first expenditures for reverse lend-lease aid in preparation for the arrival of our forces. New Zealand has spent \$6,500,000 for small vessels and landing craft which our forces are using in operations against Japanese island strongholds in the Pacific.

New Zealand provides almost all the food for American forces on the home islands, besides large quantities for our forces throughout the South Pacific area.

REVERSE LEND-LEASE AID FROM NEW ZEALAND

Through December 31, 1943

(Conversion from New Zealand Pound at \$3.25)

Foodstuffs	\$29,500,000
Equipment and Supplies	13,367,000
Repairs and Services	13,955,000
Camps	6,737,000
Warehouses	
Hospitals	6,903,000
Miscellaneous building projects	8,320,000
Ship construction	6,500,000
· -	21 224 222

91,886,000

Table 5

Up to January 1, 1944, we had been supplied with over 300,000,000 pounds of food from New Zealand. Detailed reports for major categories were reported through November 1, 1943, as follows:

Butter, including cannedpounds	14,574,821
Cheese, including canneddo	4,940,000
Eggs dozen	1,885,134
Bacon and Hampounds	20,075,324
BeefandOtherMeats(frozen)do	¹ 86,164,964
Meat (canned)do	² 33,767,277
Milk (evaporated)do	6,818,542
Sugardo	26,715,126
Teado	596,4 62
Vegetables (canned)do	8,445,311
Potatoesdo	41,550,080
Other Fresh Vegetables do	27,807,715
Apples (fresh)do	12,160,000

¹ About two-thirds consists of beef and veal.

During 1944, the New Zealand Government expects to spend more than \$50,000,000 for foodstuffs for our forces, two-thirds again as much as during the preceding 19 months. To make

² About half consists of beef and veal.

this program possible the New Zealand Government is diverting large shipments of foodstuffs from those peacetime markets in which they are ordinarily sold for cash.

Today, as in the case of Australia, the monthly rate of the reverse lend-lease aid which we are receiving from New Zealand, with a population of 1,640,000 people, approximates the monthly rate of lend-lease supplies sent from the United States. (See Chart 8.)

INDIA

The Government of India has not yet provided a statement of its expenditures for reverse lend-lease aid to United States forces in India, but receipts reported by the United States Army in this theater are as follows:

REVERSE LEND-LEASE AID IN INDIA

Through December 31, 1943

As Reported by U. S. Army

Military stores and equipment	\$6,598,000
Transportation and communication.	7,627,000
Petroleum products	40,652,000
Construction	43,033,000
Subsistence and miscellaneous	16,541,000
	114,451,000

Table 6

The rate of reverse lend-lease supplies and services received in India by United States forces has increased rapidly. In the six months between June 30, 1943, and December 31, 1943, we received as much aid as in the entire preceding thirteen months.

Our forces in India receive as reverse lend-lease aviation gasoline from the British refinery at Abadan, together with other petroleum products and motor oils. We also receive postal, telephone, and telegraph services, equipment and construction assistance for our Army and Air Force bases, tropical uniforms for use in the intense heat of India and the jungle fighting in Burma, and thousands of items of miscellaneous supplies, stores, and equipment.

Other Countries

Our other allies have not been in a position to provide reverse lend-lease supplies and services to American forces on the same scale, nor has the need for such aid arisen. The territory of some of the United Nations has been completely overrun by the enemy. The Soviet Union and China, both invaded, have required all they could produce, besides what we could send them, for fighting the invaders on their soil. Still others of the United Nations are too far from the fighting fronts for the need to have arisen to supply American forces. Nevertheless, each of our allies is providing us with reverse lend-lease aid in accordance with its resources and our needs.

The Government of the Netherlands pays as reverse lend-lease all of the expenses for locally procured supplies for American forces in Surinam and the Netherlands West Indies. In the Belgian Congo, American forces are receiving barracks, transportation, and supplies and services as reverse lend-lease. The French Committee of National Liberation has provided reverse lend-lease aid estimated at about \$30,000,000 to our troops in French North and West Africa, in addition to aid furnished in New Caledonia and Equatorial Africa.

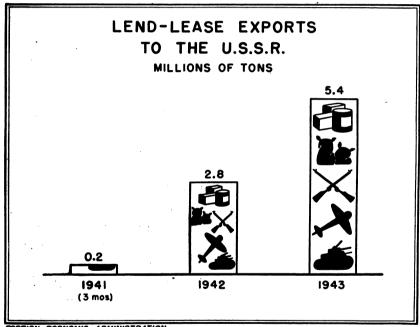
The Soviet Union provides ship stores, repairs and other services to United States vessels in Soviet ports. China insisted on turning over without cost to the 14th U. S. Army Air Force the 28 surviving P-40 planes of the one hundred used by the Flying Tigers. These planes were originally purchased for cash by the Chinese Government from the United States.

As new needs arise reverse lend-lease is taking new forms and is including new areas. Our allies are faithfully discharging their undertaking "to contribute to the defense of the United States of America and the strengthening thereof" and to "provide such articles, services, facilities, or information as they may be in a position to supply."

Chapter 4

THE SOVIET UNION

Lend-lease shipments to the Soviet Union in 1943 totaled \$2,888,115,000. Half of these shipments consisted of planes, guns and other munitions for the drive that has inflicted such heavy damage on the German armies and pushed them back many hundreds of miles toward the German border.



FOREIGN ECONOMIC ADMINISTRATION

Chart 6

Shipments of lend-lease supplies in 1943 were more than double 1942 totals in terms of dollars and nearly double in terms of tons—5,400,000 short tons in 1943 as against 2,800,000 in 1942. In December 1943 shipments reached a new high mark for any single month in the history of the Soviet lend-lease program. Shipments to the Soviet Union in the same

month exceeded in dollar amount shipments to any other country. At the close of the year 1943 the total dollar value of lend-lease supplies shipped for the 27-month period since the first protocol became operative in October 1941 was \$4,240,585,000, or 27 percent of the total shipped to all nations.

Ninety-nine percent of the ships sailing with lend-lease supplies for the U. S. S. R. in 1943 reached port in safety, whereas in 1942, 12 percent of the ships were lost.

LEND-LEASE EXPORTS TO U.S.S.R.

Thousands of Dollars

	1941	1942	1943	Total
Ordnance and Ammunition Aircraft and Parts Tanks and Parts Motor Vehicles and Parts Watercraft	35	213,918 303,396 176,804 149,092 11,020	368,304 502,007 74,734 406,004 91,580	582,297 805,403 251,573 555,096 102,600
Total Munitions Industrial Materials and Products. Agricultural Products	435	854,230 312,880 184,815	1,442,629 853,630 591,856	2,296,969 1,166,945 776,671
Total	545	1,351,925	2,888,115	4,240,585

Table 7

We sent 7,800 planes to the Soviet Union up to January 1, 1944, more than to any other war theater. Of these, over 5,000 were sent in 1943 alone. Nearly all of the planes were of the combat type, principally Bell Airacobra P-39 fighters, Douglas A-20 attack bombers, and North American B-25's. More than 3,000 of these were ferried all the way to the Soviet Union by air.

Up to January 1, 1944, we had also sent to the Soviet Union about 4,100 tanks, 700 tank destroyers, 173,000 trucks, 33,000 jeeps, 25,000 other military motor vehicles, and about 6,000,000 pairs of boots for the soldiers of the Red Army. We sent twice as many trucks in 1943 as in 1942.

LEND-LEASE EXPORTS OF MILITARY ITEMS TO U. S. S. R.

	1941	1942	1943	Total
Planes	150	2,500	5,150	7,800
	180	3,000	920	4,100
	8,300	79,000	144,400	231,700

Table 8

Lend-lease assistance to the Soviet Union in the manufacture of its own war materials and the feeding of her troops also was substantially expanded during 1943. The dollar value of war production materials and machinery shipped in 1943 was more than twice that of 1942. Up to January 1, 1944, we had sent some 177,000 tons of explosives to be used in the manufacture of bombs and shells in Soviet factories, 1,350,000 tons of steel, 384,000 tons of aluminum, and copper, and other non-ferrous metals, and \$400,000,000 of industrial equipment, machinery and machine tools for production of artillery, tanks, planes, and other war weapons.

We have sent 740,000 tons of aviation gasoline, lubricating oils, and other petroleum products needed by the Soviet Air Force and the troops engaged in ground fighting on the Eastern front. In addition, 145,000 tons of American refinery equipment are now being installed in the Soviet Union with the assistance of American engineers. When completed, the refineries will produce large quantities of aviation gasoline and other refined products from Russia's own oil resources. We have also shipped used and new machinery sufficient to equip a complete tire factory capable of producing a minimum of 1,000,000 military truck tires annually from Russia's synthetic and natural rubber supplies.

For the Soviet Army, we have sent, in addition to planes, tanks, and other munitions, large quantities of foodstuffs. To meet the increasingly serious food supply problems in 1943 we nearly trebled our lend-lease food shipments to Russia. Up to January 1, 1944, we had sent 2,250,000 tons of food, consisting principally of wheat and flour, dried peas and

beans; canned, cured and dehydrated meat; sugar; powdered milk, dried eggs, and dehydrated vegetables; and substantial quantities of lard, pork fat and vegetable oils, including oleomargarine. More than 580,000 tons of these fats and oils

SINKINGS OF SHIPS CARRYING LEND-LEASE GOODS TO THE U.S.S.R.

1942 KKKKKKKKK

1943 🕌

EACH FIGURE REPRESENTS 1% OF SHIPS SAILED

FOREIGN ECONOMIC ADMINISTRATION

Chart 10

have gone to the Soviet. They have been of vital importance to the Soviet Army's rations during the offensives carried on this past winter in sub-zero cold. In addition to these fats and oils, we have sent some 50,000 tons of butter to the U. S. S. R. This is intended largely for use by recuperating soldiers. Our food shipments to Russia in 1943 constituted about 3½ percent of our total food supply in the same period.

In addition to food, we have sent about 9,000 tons of seeds for the production in Russia of more food in devastated regions now reconquered and in newly developed farmlands far in the interior.

The goal set by U. S. Army engineers, for a tremendous increase in the monthly volume of lend-lease shipments for Russia through Iran, was attained in 1943.

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Chapter 5

UNITED KINGDOM

Increases in shipments under lend-lease of planes, tanks, ammunition, and other war supplies to the United Kingdom have paralleled the rapidly rising power of the combined air offensive against Germany and advancing preparations for the greater land offensives to come.

LEND-LEASE EXPORTS TO UNITED KINGDOM

Thousands of Dallars

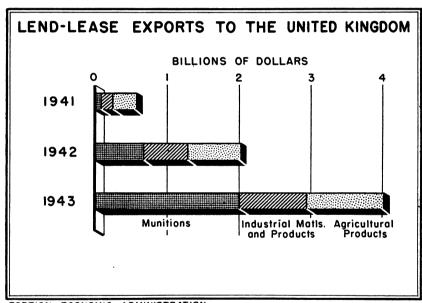
	1941	1942	1943	Total
Ordnance and Ammunition. Aircraft and Parts Tanks and Parts Motor Vehicles and Parts	30,761 13,330 10,521 14,559	250,400 275,752 35,998 61,950	629,045 606,100 473,830 185,282	910,206 895,182 520,349 261,791
Total Munitions	6,003 75,174	45,906 670,006	1,999,651	157,303 2,744,831
Industrial Materials and Products	165,356 332,090	604,218 731,094		1,705,101 2,144,618
Total	572,620	2,005,318	4,016,612	6,594,550

Table 9

Shipments of munitions to the United Kingdom in 1943 were three times the 1942 total, while shipments of industrial materials and products and of food were up only 50 percent.

We have sent to the United Kingdom thousands of planes, tanks, and trucks and other military motor vehicles.

In addition to planes, we sent under lend-lease \$460,000,000 worth of aircraft engines and parts. For Britain's own war production we sent 4,800,000 tons of steel, 460,000 tons of nonferrous metals and large quantities of other raw materials and machine tools necessary for the production of planes, bombs, guns, and other fighting equipment. Britain's Lancaster, Halifax, and Wellington bombers and a majority of its other planes as well are produced in British factories which are, in fact, today out-producing all the plane factories of Nazi Germany. This production record is due principally to Britain's own efforts, but it could not have been achieved without lend-lease shipments of raw materials, machine tools, and component parts.



FOREIGN ECONOMIC ADMINISTRATION

Chart 11

Aviation gasoline for the R. A. F.'s great raids on Germany and oil for the ships of the British Navy, which guard the convoy routes from the United States, make up most of the 125,000,000 barrels of petroleum products shipped to the United Kingdom. There are lend-lease explosives and steel in the bombs that are dropped on Berlin, Frankfurt, and

other German cities. Lend-lease shipments of cotton linters, totalling 43,000,000 pounds, have also contributed to the manufacture in Britain of bombs.

Lend-lease shipments of food have supplied a vital 10 percent of Britain's food supply. We have at the same time sent fertilizers and relatively small quantities of farm machinery. These have assisted the British to increase the production of food in the United Kingdom by 70 percent over pre-war levels, thus reducing the need for shipping food from the United States, Canada, and other areas. This tremendous increase in home production has been achieved in a country where 48,000,000 people live crowded closely together in an area smaller than the single State of Oregon and where much of the best farm land has been converted into the air bases from which the U. S. Army Air Forces and the R. A. F. are waging a round-the-clock air offensive upon Nazi war factories and anti-invasion defenses.

The combined air offensives of the U. S. and Royal Air Forces in crushing the Nazi air power have dramatically demonstrated that the planes and bombs lend-leased for the use of the R. A. F. and the raw and fabricated materials also lend-leased to produce more planes and bombs in the United Kingdom have done their full part in hastening the day of victory. The grand offensives yet to come will more amply demonstrate that lend-lease is a weapon of victory.

Chapter 6

AFRICA, MIDDLE EAST AND MEDITERRANEAN AREA

The Axis armies have now been driven from Africa. The battlefronts are today on the north shore of the Mediterranean. In this great allied drive, lend-lease supplies have played an important role. In the first 21 months of the lend-lease program, exports to Africa, the Middle East, and Mediterranean amounted to \$788,000,000; in the next 12 months—during the year 1943—they were over \$1,500,000,000.

LEND-LEASE EXPORTS TO AFRICA, MIDDLE EAST, AND MEDITERRANEAN AREA

Thousands of Dollars

	1941	1942	1943	Total
Ordnance and Ammunition Aircraft and Parts Tanks and Vehicles Watercraft	2,022 41,330	173,618 114,590 164,463 10,794	333,430 290,286 564,447 22,158	540,316 406,898 770,240 34,772
Total Munitions Industrial Materials and Products	14,683	463,465 194,138 34,423	1,210,321 272,620 103,713	1,752,226 481,441 140,928
Total	95,915	692,026	1,586,654	2,374,595

Table 10

Three-fourths of lend-lease exports to this area in 1943 consisted of finished munitions, 17 percent of industrial materials and products, and 7 percent of agricultural products.

Lend-lease planes, tanks and other finished munitions have aided the British, French, Australians, Poles, Greeks, and men of other nationalities fighting in United Nations ranks to gain important victories against the Nazis in Egypt, Libya, Tunisia, Sicily, Sardinia, Corsica, and Italy. We have sent to this theater of operations thousands of planes, tanks, trucks and other vehicles.

Munitions and Military Aid to the French

Next to the British, the French have been the largest recipients of lend-lease aid in Africa. Through December 1943, total lend-lease shipments to the French in Algeria and French Morocco amounted to \$322,000,000. This does not include supplies consigned to United States commanding generals for subsequent transfer to French military forces.

Lend-lease weapons have been used to equip many divisions of the new French Army recruited in French North and West Africa from the local population and refugees from the homeland. Some of these forces participated in the Tunisian campaign; others assisted in the liberation of Corsica; and still others are joined with our forces and British forces in fighting with magnificent valor in the difficult battle for Rome.

French air squadrons equipped with lend-lease planes have been active in the Mediterranean fighting and many more units of the reconstituted French Air Corps are being trained and equipped under lend-lease in the United States and Africa. French warships have been repaired and re-equipped in American shipyards and have joined the allied fleets in Mediterranean and Atlantic operations.

Civilian Aid to the French

In addition to arms, and as an essential part of our military operations, we have provided vital civilian supplies under lend-lease to the people of French North and West Africa. Through December 31, 1943, 356,000 tons of civilian supplies were shipped to French North Africa and 49,000 tons to French West Africa. These supplies are being paid for by the French authorities at full landed cost. We have already received \$62,250,000.

Our shipments of civilian goods to French Africa in recent months have consisted largely of iron and steel for the maintenance of essential railways and port facilities; machinery and parts for utility plants; tractors and other farm implements; and such foodstuffs as sugar, not produced locally. These supplies are making it possible for the people of French Africa to produce strategic materials and foodstuffs to aid the allied war effort.

Restoration of the industries of French North Africa is progressing. For example, we are assisting in getting into the most effective production an iron mine that produces high grade ore needed by the United Nations. We are also aiding in putting back into production the phosphate mines that were badly damaged during the fighting in Tunisia.

As a result of the rapid revival of agriculture, French North Africa is supplying substantial amounts of foodstuffs, especially cereals and fresh vegetables, to our forces in the Mediterranean area, as reverse lend-lease.

Chapter 7

CHINA

From the very beginning the controlling factor in getting aid to China has been transportation. With all of China's ports closed, the Burma Road was originally the artery through which lend-lease goods flowed into China, and early shipments of lend-lease goods consisted largely of trucks, motor fuel, and materials for the development of this highway. Since the Burma Road was closed, it has been possible to get supplies into China only by air, over mountains 18,000 feet high and by a route that has been under attack by Japanese planes based in upper Burma.

Our aid to China has consisted of the following:

- 1. The development of the air route from India to various points in China, including the furnishing of cargo planes, building of air fields, warehousing facilities, etc. This has been accomplished principally by the United States Army Air Transport Command.
- 2. Gasoline, bombs, and other supplies transported into China by air for Chinese and United States air forces under General Chennault.
- 3. Material for Chinese arsenals transported into China by air.
- 4. Material transported into China by air for the equipment of Chinese troops being trained in Yunnan Province.
- 5. Training of Chinese pilots in the United States and India and the furnishing of combat planes for operations by the growing Chinese Air Force inside China.
- 6. The training and equipment of Chinese troops in India, some of whom are now fighting ahead of the U. S. Army engineers constructing the new Ledo Road across upper Burma in the direction of China.

7. Material stockpiled in India ready to be moved as soon as a land route is reestablished.

Great progress has been made during the past year in development of the air transport route into China. The actual volume of air freight now being carried into China each month is a military secret, but the amounts have increased by leaps and bounds. In the last three months of 1943, more air cargo for United States and Chinese forces was carried into China by air than in the preceding nine months of the year. In the month of December alone, twice as much cargo was flown into China as in all of 1942. In January 1944, the tonnage of goods flown into China was 15 times that of January 1943—and the monthly tonnage figure is continuing to increase. The amount of supplies that can be carried by air to any military theater is, of course, very small when compared to shipments by land or water. But the volume is very large in terms of air transport.

Some of this cargo flown into China, of course, is for the use of our own forces inside China, but all goods flown "over the hump" are for one purpose—to defeat the Japanese on the China front.

The total of lend-lease supplies transferred to China through December 31, 1943, is as follows:

Ordnance Ammunition Aircraft and Parts Motor Vehicles and Parts Watercraft and Parts	\$15,585,000 22,203,000 77,843,000 26,467,000 4,447,000	
Total Munitions		\$146,545,000
Machinery	\$4,793,000	
Metals	10,302,000	•
Petroleum Products	2,566,000	
Miscellaneous Industrial (Items	11,291,000	
Total Industrial Items		28,952,000 79,00 0
Total Goods Transferred Services Rendered		175,576,000 25,419,000
Total Aid	-	200,995,000

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In addition, goods valued at \$191,731,000 have been consigned to the U. S. commanding general in the India-China theater for transfer to China. These goods consist of the following:

Ordnance	
Tanks and Parts	42,197,000
Motor Vehicles	18,417,000
Miscellaneous Military Equipment	12,865,000
Total	191,731,000

Chapter 8

INDIA

Lend-lease exports to India from March 11, 1941, to December 31, 1943, totaled \$849,452,000. As shown by the following table, exports in 1943 were 70 percent greater than the combined shipments in 1942 and 1941.

LEND-LEASE EXPORTS TO INDIA Thousands of Dollars

	1941	1942	1943	Total
Ordnance and Ammunition Aircraft and Parts Tanks and Parts Motor Vehicles and Parts Watercraft	36	85,922 17,949 59,843 39,603 1,038	104,335 89,871 36,828 82,776 21,482	195,574 107,856 98,151 129,846 22,588
Total Munitions	14,368 2,407 225	204,355 70,836 22,538	335,292 176,940 22,491	554,015 250,183 45,254
Total	17,000	297,729	534,723	849,452

Table 11

Our lend-lease policy toward India has been determined by the importance of India's strategic and geographic position in the Far Eastern part of the war. India is a major supply center for the war against Japan. She has provided the allied armies in the East with small arms and other munitions, and with clothing, shoes, tents, parachutes, and other textile products. India has the best network of railroads in Asia. From India extends the air supply line into China. Furthermore, India is the military base for our operations against the

Japanese in Burma. Finally, India is a major source of strategic materials essential to the war effort of the United States.

Munitions

Lend-lease exports of guns, ammunition, and other munitions to India, for the British and Indian armies and navies, through December 31, 1943, amounted to \$554,000,000.

With the help of the munitions and other materials lend-leased by the United States, India has become a vast military base. Indian troops, recruited and trained in India, have seen service on widely-scattered fronts in this war. They helped to defend Malaya. They fought with the British Eighth Army in the deserts of Egypt and Libya, helped to drive the Nazis out of North Africa, and are on the front in Italy.

Indian and British troops, equipped in part with lend-lease weapons, are fighting today under Lord Mountbatten on the Arakan front in Burma. Many more are preparing for the greater offensives to come against Japan.

Industrial Materials for War Production

From the beginning of the lend-lease program to December 31, 1943, we shipped to India \$250,000,000 of industrial materials and products, and \$45,000,000 of agricultural products.

Of primary importance have been the transportation, communications and construction equipment shipped to India. In order to enable the Indian railways to carry the heavy additional burdens imposed by the war, we have provided locomotives and freight cars. Some of these have replaced locomotives and cars sent from India to Egypt and the Middle East in the early part of the war, when the Nazis threatened to capture Suez and break through to the Indian Ocean.

We have furnished 40,000 trucks to supplement the railway system in transporting strategic materials and military supplies over the vast stretches of India. In addition, we have provided cranes, lighters, and stevedoring equipment to move war supplies in and out of India's crowded harbors.

In order to facilitate the building of air bases, barracks, and military roads, we have sent items which India could not furnish or were in short supply there. Among these have been construction machinery, cement making machinery, and lumber.

India is fast becoming a great United Nations arsenal as well as military base. India produces small arms and small arms ammunition, bombs, torpedoes, armored cars, ordnance carriers, machine guns, artillery ammunition, and other military items. We have provided under lend-lease some of the machine tools and raw materials, such as steel, copper, aluminum, and zinc, which have helped India to expand her munitions output. Lend-lease exports of machine tools to India have amounted to \$10,000,000 and currently India is buying all of its machine tools in this country for cash.

India's exports of raw materials have been increasingly important in the United Nations war effort. India is now our sole source of jute, used for making burlap bags. She is one of the principal suppliers of mica, which is essential to the production of radio equipment for the armed forces. Other important materials imported from India are manganese, shellac, talc, beryl, and kyanite. In order to increase the production of these items we have furnished under lend-lease a variety of industrial tools as well as mining and pumping machinery.

The lend-lease aid we have sent to India has assisted, and will assist, the United Nations in gaining victories over the Axis. But this aid has not flowed in one direction. India, too, has supplied what she can for the common war effort in many forms. Our forces in India have also received substantial reverse lend-lease from India, as shown in another section of this report.

Chapter 9

AUSTRALIA AND NEW ZEALAND

Lend-lease exports to Australia and New Zealand from March 11, 1941, to December 31, 1943, amounted to \$803,893,-000. Shipments to Australia accounted for about four-fifths of the total, and exports to New Zealand for one-fifth. As the following table shows, exports to these areas were about 80 percent greater in 1943 than combined shipments in 1942 and 1941.

LEND-LEASE EXPORTS TO AUSTRALIA AND NEW ZEALAND

Thousands of Dollars

	1941	1942	1943	Total
Ordnance and Ammunition Aircraft and Parts	6,998 454 341	60,593 44,128 40,311 28,752 1,384	57,347 122,588 13,781 103,332 2,517	118,398 173,714 54,546 132,425 3,901
Total munitions	3,175	175,168 91,977 6,935	299,565 198,344 17,423	482,984 293,496 27,413
Total	14,481	274,080	515,332	803,893

Table 12

Munitions Aid

The lend-lease supplies sent by the United States have helped equip the Australian, New Zealand, and Dutch forces and to make Australia and New Zealand major bases for United States and allied operations against the Japanese.

The bulk of our shipments to these areas have consisted of ordnance and ammunition, aircraft and parts, and motor vehicles and parts. With the aid of this equipment, the Australians and New Zealanders have fought side by side with our forces in the offensives in the south and southwest Pacific, which began in the summer of 1942 and have resulted in driving the Japanese out of the Solomons, parts of New Guinea and New Britain.

War Production Aid to Australia

In addition to finished munitions, we have made available to Australia a substantial amount of industrial materials and products.

The war has greatly taxed the overland transportation facilities of Australia and curtailed coastwise shipping. To ease this burden, we have provided under lend-lease about 20,000 trucks and a large volume of petroleum products.

We have also furnished machinery and tools to expand Australia's war industries as well as raw materials for the fabrication of munitions and other essential products. Thus, the United States has provided such items as special steels, not produced in Australia, for the manufacture of guns and shells, sulfur for explosives and metal production and fabricated aluminum for airplanes.

Agricultural Aid to Australia

Australia, like New Zealand, besides feeding her own forces, provides over 90 percent of the food needed for the American and other allied forces in the Southwest Pacific. To meet these additional requirements, Australia has been in need o agricultural materials and equipment. We have, therefore, sent under lend-lease small quantities of seed and fertilizer, agricultural implements, including tractors and other machinery, tinplate and equipment for canning plants, and pulp and paper for making cartons and wrapping material. With the help of these items, Australia has been able to provide as reverse lend-lease over 500,000,000 pounds of food for our forces.

The lend-lease aid we have furnished, by enabling Australia to increase her output of food and munitions, has lessened the strain on our own production and on the shipping resources available to the United Nations. The victories of allied arms have been immeasurably advanced as a result.

Agricultural Aid to New Zealand

New Zealand is primarily an agricultural country, and like Australia, has provided important amounts of food to our and the other United Nations' forces.

To assist New Zealand in expanding her agricultural production, we have sent under lend-lease, farm machinery, equipment for food processing plants, tinplate for canning, and paper and other items for containers and wrappers. We have also provided several thousand trucks as well as petroleum products for powering and lubricating them. The trucks have been used to move military and essential civilian supplies.

As shown in Chapter 3, New Zealand has given us increasing amounts of reverse lend-lease aid.

Chapter 10

SOUTH AND CENTRAL AMERICAN COUNTRIES

Lend-lease exports to the South and Central American countries totalled a little less than \$128,000,000 through December 31, 1943. More than 85 percent of lend-lease exports consisted of finished munitions or supplies, and less than 15 percent of materials used in ordnance plants and other installations producing military or naval equipment.



FOREIGN ECONOMIC ADMINISTRATION

Chart 12

Lend-lease exports, of course, comprise only a small fraction of United States exports to South and Central America. In the three years, 1941 through 1943, commercial exports from

this country to that area totaled \$2,300,000,000, while lend-lease exports amounted to only \$128,000,000. Lend-lease exports to Latin America account for only 0.8 percent of all lend-lease exports.

LEND-LEASE EXPORTS TO SOUTH AND CENTRAL AMERICA AND CARIBBEAN AREA

Thousands of Dollars

	1941	1942	1943	Total
Ordnance and Ammunition	363	4,249 17,798 10,549 103	16,610 33,189 26,332 514	20,859 51,350 36,881 617
Total Munitions	2	32,699 1,934 15	76,645 16,269 40	109,707 18,205 55
Total	365	34,648	92,954	127,967

Table 13

The original arrangements to supply military and naval equipment to Latin America were approved by General Marshall, the Chief of Staff, and by Admiral Stark, then Chief of Naval Operations. All assignments of military and naval equipment to the other American Republics under lend-lease have been approved by the appropriate officers of the United States Army and Navy, acting under the direction of the Joint Chiefs of Staff.

Since the signing of the first lend-lease agreement—with the Dominican Republic on August 2, 1941—until the most recent—that with Chile on May 2, 1943—18 such agreements have been negotiated.

No agreements have been made with Argentina and Panama. Argentina has not received any lend-lease aid and Panama is furnished aid under special provisions for the protection of the Panama Canal Zone rather than under lend-lease. The

lend-lease agreements with the American republics include provision for repayment to the United States of part of the cost of the lend-lease aid supplied to them.

More than 63 percent of all lend-lease exports to the other American republics have gone to Brazil. Most of the materials supplied to these nations under lend-lease are procured by the military agencies of the United States Government and sent to them to carry out joint military projects for strengthening the defenses of the Western Hemisphere.

The lend-lease program for the American republics is designed to strengthen Western Hemisphere defenses and to encourage the continued production of raw materials essential to the war production program of the United States. Many vital materials which are not available in the United States but are essential in the fabrication of munitions are being shipped to us from the American republics.

Through foreign procurement and development programs under the direction of the Foreign Economic Administration and other agencies of our Government, the nations of Central and South America are supplying us with important quantities of such strategic materials as copper, mica, quartz crystals, lead, tungsten, tin, quinine, rubber, and mercury.

The benefits to the United States resulting from our lend-lease and other policies in South and Central America include: The maintenance by our neighbors of antisubmarine patrols that help protect our merchant ships carrying vital raw materials to American war plants; the grant of permission to the United States by the South American countries to establish military, naval, and air bases and use of harbors and airports; permission to fly military planes above their territories; and full cooperation in many other ways in our common war effort. Several of these countries have permitted the Federal Bureau of Investigation to send representatives there as a part of the program to suppress Axis subversive activities.

All of the South and Central American countries having lend-lease agreements have complied with their basic commitments where cooperation in the war effort is concerned—they have rounded up Axis spies and saboteurs, impounded Axis-

owned funds, and have cut off all trade of benefit to the Axis.

The American Republics have rendered valuable direct military aid to us. Brazil has cooperated with Cuba, Haiti, and the Dominican Republic in the defense of the Panama Canal and has provided facilities for the repair of American and other United Nations ships.

The security of our supply lines to our forces in the South Pacific and of our own western coast defenses has been strengthened by the help we have received from Ecuador, Peru, Bolivia, and Chile. Our defenses in the Gulf of Mexico have been strengthened by Mexico, Colombia, Venezuela, and the Central American and Caribbean republics. The Brazilian Navy has contributed much toward the virtual elimination of the submarine menace from South Atlantic waters. Brazilian airmen flying lend-lease planes have also played an important role in this achievement.

Chapter 11

STATISTICAL TABLES

AMOUNTS OF LEND-LEASE AID AUTHORIZED

The amount of lend-lease aid that may be provided under the various acts is summarized as follows:

I. Lend-Lease Appropriations to the President

First Lend-Lease Appropriation	\$7,000,000,000
Second Lend-Lease Appropriation	5,985,000,000
Third Lend-Lease Appropriation (Fifth Supp. 1942)	5,425,000,000
Fourth Lend-Lease Appropriation	6,273,629,000
Total	24,683,629,000

II. Transfers Authorized From Other Appropriations

War Department:

Third Supplemental, 1942	\$2,000,000,000
Fourth Supplemental, 1942	4,000,000,000
Fifth Supplemental, 1942	11,250,000,000
Sixth Supplemental, 1942	2,220,000,000
Military Appropriation Act, 1943	12,700,000,000
Navy Department: Second Supplemental, 1943	3,000,000,000
Departments other than War: Third Supplemental, 1942	800,000,000
•	

Total.... 35,970,000,000

Direct appropriations have been made to the War and Navy Departments and to the Maritime Commission for the procurement of items which are in the main common to the uses of our own armed forces and those of our allies. These items when produced can be used, in other words, by our armed forces and those of our allies. These items when produced can be used, in other words, by our armed forces or those of our allies in the manner in which they can be most effective in defeating our common enemies. It is not until they are ready for distribution that they are allocated by the military experts in accordance with the strategic needs. The Appropriation Acts in question authorize transfers to our allies up to stated amounts under the Lend-Lease Act. That does not mean that transfers up to the stated amounts have to or will necessarily be made. All that it means is that there is sufficient flexibility for the military experts to assign the supplies where they will do the most good in winning the war.

In addition to the foregoing, Congress has with certain limitations authorized the leasing of ships of the Navy and merchant ships constructed with funds appropriated to the Maritime Commission without any numerical limitation as to the dollar value or the number of such ships which may be so leased. (See for example, Public Law 1, 78th Cong., approved February 19, 1943, and Public Law 11, 78th Cong., approved March 18, 1943.)

Table 14

TOTAL LEND-LEASE AID

March 1941 through December 31, 1943

	Amount	% of Total
Goods Transferred: Munitions (Including Ships) Industrial Materials and Products Agricultural Products		53.8 20.7 12.7
Total Transfers	17,436,442,000	87.2
Services Rendered: Servicing and Repair of Ships, etc Rental of Ships, Ferrying of Aircraft, etc. Production Facilities in U. S Miscellaneous Expenses	407,368,000 1,450,698,000 605,058,000 86,569,000	2.1 7.3 3.0 0.4
Total Services	2,549,693,000	12.8
Total Lend-Lease Aid	19,986,135,000	100.0

The above figures are exclusive of the value of goods consigned to United States commanding generals for subsequent transfer in the field to lend-lease countries. The total value of such consignments to December 31, 1943, was \$509,892,000.

BREAK-DOWN OF LEND-LEASE AID

	1941	1942	1943	Total
Munitions (Including Ships) Industrial Materials and Products Agricultural Products Services	21.9	Percent 46.7 20.9 12.8 19.6	Percent 61.5 20.5 10.8 7.2	Percent 53.8 20.7 12.7 12.8
Total	100.0	100.0	100.0	100.0

Table 15

LEND-LEASE AID

Millions of Dollars

	Monthly				Cumulative	:
	Goods	Services	Total	Goods	Services	Total
Jan. 1941 Feb						
Mar	20 35 41 73 95 144 132 164 200	4 8 10 22 28 31 37 50 70	10 28 45 63 101 126 181 182 234	26 61 102 175 270 414 546 710	12 22 44 72 103 140 190 260 334	10 38 83 146 247 373 554 736 970
Jan. 1942 Feb Mar Apr Jun Jul Aug Sep Oct Nov Dec	220 260 362 455 394 459 504 446 544 680 620 694	102 128 106 99 55 89 91 114 99 235 190 63	322 388 468 554 449 548 595 560 643 915 810 757	1,130 1,390 1,752 2,207 2,601 3,060 3,564 4,010 4,554 5,234 5,854 6,548	436 564 670 769 824 913 1,004 1,118 1,217 1,452 1,642 1,705	1,566 1,954 2,422 2,976 3,425 3,973 4,568 5,128 5,771 6,686 7,496 8,253
Jan. 1943 Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec	627 656 663 720 716 954 1,018 1,114 1,121 1,028 971 1,300	55 41 24 63 74 77 32 148 76 73 105	682 697 687 783 790 1,031 1,050 1,262 1,197 1,101 1,076 1,377	7,175 7,831 8,494 9,214 9,930 10,884 11,902 13,016 14,137 15,165 16,136 17,436	1,760 1,801 1,825 1,888 1,962 2,039 2,071 2,219 2,219 2,294 2,368 2,473 2,550	8,935 9,632 10,319 11,102 11,892 12,923 13,973 15,235 16,431 17,533 18,609 19,986

Table 16

LEND-LEASE EXPORTS TO ALL COUNTRIES

Thousands of Dollars

	1941	1942	1943	Total
United Kingdom	572,620 545	2,005,318 1,351,925	4,016,612 2,888,115	6,594,550 4,240,585
Mediterranean Area China, India, Australia	9,5,915	692,026	1,586,654	2,374,595
and New Zealand Latin America Other Countries	52,207 365 19,251	636,758 34,648 174,084	1,091,498 92,954 266,888	1,780,463 127,967 460,223
Total	740,903	4,894,759	9,942,721	15,578,383

Percentage Distribution

	1941	1942	1943	Total
United Kindgom	77.3% 0.1	41.0% 27.6	40.4% 29.0	42.3% 27.2
Africa, Middle East, and Mediterranean Area China, India, Australia	12.9	14.1	16.0	15.2
and New Zealand Latin America Other Countries	7.1 0.0 2.6	13.0 0.7 3.6	11.0 0.9 2.7	11.5 0.8 3.0
Total	100.0	100.0	100.0	100.0

Table 17

LEND-LEASE TRANSFERS AND EXPORTS

The value of goods transferred under lend-lease exceeds the value of lend-lease exports. Most of this difference is accounted for by the value of ships transferred and which leave this country under their own power, and consequently are not reported as exports. Other factors accounting for the difference include: Articles transferred to foreign countries but used in the United States, such as trainer planes for the instruction of United Nations pilots; materials transferred but not yet exported; and goods purchased outside the United States and sent directly to lend-lease countries.

LEND-LEASE EXPORTS

March 1941 through December 31, 1943

Millions of Dollars

	United Kingdom	U. S. S. R.	Africa, Middle East, and Medi- terranean Area	China, India, Australia and New Zealand	Other Countries	Total
MUNITIONS						
Ordnance. Ammunition. Aircraft and Parts. Tanks and Parts. Motor Vehicles and Parts. Watercraft	280 630 895 521 262 157	370 805 251		195 345 153 279	273 34	1,562 2,725 1,405 1,474
Total	2,745	2,297	1,752	1,140	500	8,434
INDUSTRIAL MATERIALS . AND PRODUCTS		·				-
Machinery	355 569 464 317 ———	441 31 259	144 62 171	187		667 904
AGRICULTURAL PRODUCTS						
Foods	1,695 450	700 77	134 7	46 27	15 3	2,590 564
Total	2,145	777	141	73	18	3,154
TOTAL EXPORTS	6,595	4,241	2,374	1,780	588	15,578

Table 18

LEND-LEASE EXPORTS—MONTHLY Millions of Dollars

	United Kingdom	U. S. S. R.	Africa, Middle East and Medi- terranean Area	China, India, Australia and New Zealand	Other Countries	Total .
Mar. 1941 Apr. May Jun Jul Aug Sep Oct Nov	1 9 26 49 46 74 142 107 119		5 6 19 14 7 12 10 23	1 1 5 2 12 18 12	1 4 1 2 3 2 3 1 2	1 5 16 35 72 67 86 167 137
Jan. 1942 Feb	105 79 149 144 144 210 175 152 214 222 204 207	15 55 97 164 70 110 103 150 102 128 191 167	24 26 25 45 37 35 66 58 71 98 95	18 22 47 55 47 36 59 56 67 82 55	13 12 11 17 8 14 21 18 18 32 16 25	175 194 329 425 306 405 424 434 472 562 561 608
Jan. 1943 Feb	178 222 309 353 400 425 392 370 397 356 259 356	167 186 211 210 177 139 230 313 301 263 337 354	94 46 132 116 151 100 221 165 190 165 110 96	74 49 67 67 83 101 147 113 81 128 81 96	22 26 58 29 37 26 31 28 32 30 31	535 529 777 775 848 791 1,021 989 1,001 942 818 916
TOTAL EX- PORTS	6,595	4,241	2,374	1,780	588	15,578

Table 19

LEND-LEASE FOOD EXPORTS IN RELATION TO SUPPLY AND TO U. S. CIVILIAN POPULATION

	Exports in Percent of Supply		Exports in Ounces per Week per United State Civilian	
	Year	Year	Year	Year
	1942	1943	1942	1943
All Meats (Dressed Weight Basis) Beef and Veal Lamb and Mutton Pork All Milk Products (Fluid Milk Equiv.) Dry Whole Milk Dry Skim Milk Condensed and Evaporated Milk Butter Cheese Eggs Edible Fats and Oils Canned Fish	6.1	9.5	3.3	5.6
	0.3	1.3	0.1	0.3
	0.4	11.1	0.01	0.3
	11.9	15.4	3.3	5.0
	3.6	3.8	11.0	11.3
	6.4	13.7	0.01	0.04
	23.0	41.9	0.3	0.6
	9.7	12.8	1.0	1.3
	0.8	3.8	0.05	0.2
	23.6	14.3	0.8	0.4
	9.6	12.4	1.6	2.4
	11.3	16.3	1.7	2.7
	17.3	26.8	0.4	0.6
Canned Fruits and Juices	3.7	6.9	0.4	0.8
	16.3	20.3	0.5	0.7
Vegetables: Canned Vegetables Dried Beans Dried Peas Corn and Corn Products (Grain Equiv.) Wheat and Wheat Products (Grain Equiv.).	1.6	1.5	0.2	0.3
	5.1	11.4	0.3	0.8
	7.6	9.9	0.1	0.3
	0.2	0.1	1.4	0.9
	0.4	1.0	1.0	3.1

Table 20

STATUS OF NATIONS Lend-Lease Countries and United Nations

	Country	Declared Eligible for Lend-Lease Aid	Lend-Lease Agreement Signed	Reciprocal Aid Agree- ment Signed	United Nations Declaration Signed	Earliest Date of Existence of State of War With Any Axis Power	Earliest Date of Severance of Diplomatic Relations With Any Axis Power
60		May 6, 1941 Nov. 11, 1941 May 6, 1941	(t) June 16, 1942 Dec. 6, 1941 Mar. 3, 1942 Mar. 2, 1943 June 2, 1942 Mar. 17, 1942 Jan. 16, 1942 Nov. 7, 1941 July 11, 1942 Aug. 2, 1941 Apr. 6, 1942	Sept. 3, 1942 Jan. 30, 1943	Jan. 1, 1942 Apr. 27, 1943 Feb. 6, 1943 Jan. 1, 1942		Jan. 26, 1944 Jan. 28, 1942 Jan. 28, 1942 Jan. 20, 1943 Dec. 8, 1941 Jan. 29, 1942 Sept. 3, 1939
	ttee of National	Dec. 7, 1942 [Nov. 11, 1941 [Nov. 13, 1942 Mar. 11, 1941 May 6, 1941 May 6, 1941	Aug. 9, 1943 Sept. 25, 1943 July 10, 1942 Nov. 16, 1942 Sept. 16, 1941	Sept. 3, 1942 Sept. 25, 1943		Dec. 1, 1942 Sept. 3, 1939 Oct. 28, 1940 Dec. 8, 1941 Dec. 8, 1941	

 and a reciprocal e lend-lease aid on ered into with the ilitaire established 	n November 11, 194 d eligible to receiv iprocal aid was ent en Chef Civile et M	ve lend-lease aid o Mrica were declare d-lease aid and rec it Commandement	clared eligible to recei ch North and West A eement governing len mittee and to the Hau	ll Committee was de ember 3, 1942. Fren Modus Vivendi Agr rench National Com	strency. the French Nations: Committee on Sept 1943, a Lend-Lease on, successor to the F	*Cotombia dectated a state of beingerency. **Territory under the jurisdiction of the French National Committee was declared eligible to receive lend-lease aid on November 11, 1941, and a reciprocal aid agreement the jurisdiction of the French National North and West Africa were declared eligible to receive lend-lease aid on November 13, 1942. On September 25, 1943, a Lend-Lease Modus Vivendi Agreement governing lend-lease aid and reciprocal aid was entered into with the French Committee of National Liberation, successor to the French National Committee and to the Haut Commandement en Chef Civile et Militaire established
red into with these 1 the United States.	Aid Agreements ente lease relations with	in the Reciprocal A	ement has been concluded with either Australia or New Zealand; but in the Reciprocal Aid Agreements entered into with these ziples of the Lend-Lease Agreement with the United Kingdom as applicable to their lend-lease relations with the United States. It belligerency.	with either Australia reement with the Un	has been concluded of f the Lend-Lease Aggerency.	No Master Lend-Lease Agreement has be countries, they accepted the principles of the J Colombia declared a state of belligerency
Jan. 23, 1942 Dec. 31, 1941	Apr. 6, 1941	Jan. 1, 1942	· · · · · · · · · · · · · · · · · · ·	Jan. 13, 1942 Mar. 18, 1942 July 24, 1942	May 6, 1941 May 6, 1941 Nov. 11, 1941	Unguay
	Dec. 7, 1941 June 22, 1941	Jan. 1, 1942 Jan. 1, 1942		June 11, 1942	Nov. 7, 1941	
	Sept. 3, 1939	:	Sept. 3, 1942	Feb. 23, 1942	Nov. 7, 1941 Mar. 11, 1941	Lurkey United Kingdom
tain.	Sept. 6, 1939	Jan. 1,1942			Nov. 11, 1941	South Africa
Date uncer-	Sept. 1, 1939	June 10, 1942 Jan. 1, 1942		July 1, 1942	Aug. 28, 1941 Feb. 18, 1943	Fullippines. Poland
Jan. 28, 1942 Jan. 24, 1942				Sept. 20, 1941 Mar. 11, 1942	May 6, 1941 May 6, 1941	Faraguay
	Apr. 9, 1940 Dec. 7, 1941			July 11, 1942		NorwayPanama
	Dec. 8, 1941				May 6, 1941	Nicaragua
	May 10, 1940 Sept. 3, 1939	-î -	June 14, 1943 Sept. 3, 1942	July 8, 1942	Aug. 21, 1941 Nov. 11, 1941	NetherlandsNew Zealand
Dec. 19, 1941	May 10, 1940 May 22, 1942	Jan. 1, 1942 June 5, 1942		Mar. 18, 1943	May 6, 1941	Luxembourg
June 7, 1941 Oct. 2, 1942	Jan. 16, 1943 Jan. 27, 1944	Jan. 16, 1943		June 8, 1943	May 1, 1942 Mar. 10, 1942	Iraq. Liberia.
Sept.	Sept. 9, 1943	Sept. 9, 1943			Mar. 10, 1942	Iran
	Sept. 3, 1939	ł			Nov. 11, 1941	India

Table 21

in French North and West Africa after the events of November 1942.

APPENDICES

Appendix 1

LEND-LEASE ACT

Further to promote the defense of the United States, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "An Act to Promote the Defense of the United States."

Section 2

As used in this Act-

- (a) The term "defense article" means—
 - (1) Any weapon, munition, aircraft, vessel, or boat;
 - (2) Any machinery, facility, tool, material, or supply necessary for the manufacture, production, processing, repair, servicing, or operation of any article described in this subsection;
 - (3) Any component material or part of or equipment for any article described in this subsection;
 - (4) Any agricultural, industrial or other commodity or article for defense.

Such term "defense article" includes any article described in this subsection manufactured or procured pursuant to section 3, or to which the United States or any foreign government has or hereafter acquires title, possession, or control.

(b) The term "defense information" means any plan, specification, design, prototype, or information pertaining to any defense article.

Section 3

- (a) Notwithstanding the provisions of any other law, the President may, from time to time, when he deems it in the interest of national defense, authorize the Secretary of War, the Secretary of the Navy, or the head of any other department or agency of the Government—
 - (1) To manufacture in arsenals, factories, and shippards under their jurisdiction, or otherwise procure, to the extent to which funds are made available therefor, or contracts are authorized from time to time by the Congress, or both, any defense article for the government

of any country whose defense the President deems vital to the defense of the United States.

- (2) To sell, transfer title to, exchange, lease, lend, or otherwise dispose of, to any such government, any defense article, but no defense article not manufactured or procured under paragraph (1) shall in any way be disposed of under this paragraph except after consultation with the Chief of Staff of the Army or the Chief of Naval Operations of the Navy, or both. The value of defense articles disposed of in any way under authority of this paragraph, and procured from funds heretofore appropriated, shall not exceed \$1,300,000,000. The value of such defense articles shall be determined by the head of the department or agency concerned or such other department, agency, or officer as shall be designated in the manner provided in the rules and regulations issued hereunder. Defense articles procured from funds hereafter appropriated to any department or agency of the Government, other than from funds authorized to be appropriated under this Act, shall not be disposed of in any way under authority of this paragraph except to the extent hereafter authorized by the Congress in the Acts appropriating such funds or otherwise.
- (3) To test, inspect, prove, repair, outfit, recondition, or otherwise to place in good working order, to the extent to which funds are made available therefor, or contracts are authorized from time to time by the Congress or both, any defense article for any such government, or to procure any or all such services by private contract.

(4) To communicate to any such government any defense information, pertaining to any defense article furnished to such government under paragraph (2) of this subsection.

(5) To release for export any defense article disposed of in any way under this subsection to any such government.

- (b) The terms and conditions upon which any such foreign government receives any aid authorized under subsection (a) shall be those which the President deems satisfactory, and the benefit to the United States may be payment or repayment in kind or property, or any other direct or indirect benefit which the President deems satisfactory.
- (c) After June 30, 1943, or after the passage of a concurrent resolution by the two Houses before June 30, 1943, which declares that the powers conferred by or pursuant to subsection (a) are no longer necessary to promote the defense of the United States, neither the President nor the head of any department or agency shall exercise any of the powers conferred by or pursuant to subsection (a); except that until July 1, 1946, any of such powers may be exercised to the extent necessary to carry out a contract or agreement with such a foreign government made before July 1, 1943, or before the passage of such concurrent resolution, whichever is the earlier.

(d) Nothing in this Act shall be construed to authorize or to permit the authorization of convoying vessels by naval vessels of the United States.

(e) Nothing in this Act shall be construed to authorize or to permit the authorization of the entry of any American vessel into a combat area in violation of section 3 of the Neutrality Act of 1939.

Section 4

All contracts or agreements made for the disposition of any defense article or defense information pursuant to section 3 shall contain a clause by which the foreign government undertakes that it will not, without the consent of the President, transfer title to or possession of such defense articles or defense information by gift, sale, or otherwise, or permit its use by anyone not an officer, employee, or agent of such foreign government.

Section 5

- (a) The Secretary of War, the Secretary of the Navy, or the head of any other department or agency of the Government involved shall, when any such defense article or defense information is exported, immediately inform the department or agency designated by the President to administer section 6 of the Act of July 2, 1940 (54 Stat. 714), of the quantities, character, value, terms of disposition, and destination of the article and information so exported.
- (b) The President, from time to time, but not less frequently than once every ninety days, shall transmit to the Congress a report of operations under this Act except such information as he deems incompatible with the public interest to disclose. Reports provided for under this subsection shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session.

Section 6

- (a) There is hereby authorized to be appropriated from time to time, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to carry out the provisions and accomplish the purposes of this Act.
- (b) All money and all property which is converted into money received under section 3 from any government shall, with the approval of the Director of the Budget, revert to the respective appropriation or appropriations out of which funds were expended with respect to the defense article or defense information for which such consideration is received, and shall be available for expenditure for the purpose for which such expended funds were appropriated by law, during the fiscal year in which such funds are received and the ensuing fiscal year; but in no event shall any funds so received be available for expenditure after June 30, 1946.

Section 7

The Secretary of War, the Secretary of the Navy, and the head of the department or agency shall, in all contracts or agreements for the disposition of any defense article or defense information, fully protect the rights of all citizens of the United States who have patent rights in and to any such article or information which is hereby authorized to be disposed of and the payments collected for royalties on such patents shall be paid to the owner and holders of such patents.

Section 8

The Secretaries of War and of the Navy are hereby authorized to purchase or otherwise acquire arms, ammunition, and implements of war produced within the jurisdiction of any country to which section 3 is applicable, whenever the President deems such purchase or acquisition to be necessary in the interests of the defense of the United States.

Section 9

The President may, from time to time, promulgate such rules and regulations as may be necessary and proper to carry out any of the provisions of this Act; and he may exercise any power or authority conferred on him by this Act through such department, agency, or officer as he shall direct.

Section 10

Nothing in this Act shall be construed to change existing law relating to the use of the land and naval forces of the United States, except insofar as such use relates to the manufacture, procurement, and repair of defense articles, the communication of information and other noncombatant purposes enumerated in this Act.

Section 11

If any provision of this Act or the application of such provision to any circumstance shall be held invalid, the validity of the remainder of the Act and the applicability of such provision to other circumstances shall not be affected thereby.

APPROVED, MARCH 11, 1941.



On March 11, 1943, after affirmative votes of 407-6 in the House of Representatives and 82-0 in the Senate the President signed the Act extending the Lend-Lease Act for 1 year.

Appendix II SOVIET MASTER AGREEMENT

Agreement between the United States of America and the Union of Soviet Socialist Republics on the principles applying to mutual aid in the prosecution of the war against aggression.

Whereas the Governments of the United States of America and the Union of Soviet Socialist Republics declare that they are engaged in a cooperative undertaking, together with every other nation or people of like mind, to the end of laying the bases of a just and enduring world peace securing order under law to themselves and all nations:

And whereas the Governments of the United States of America and the Union of Soviet Socialist Republics, as signatories of the Declaration by United Nations of January 1, 1942, have subscribed to a common program of purposes and principles embodied in the Joint Declaration, known as the Atlantic Charter, made on August 14, 1941, by the President of the United States of America and the Prime Minister of the United Kingdom of Great Britain and Northern Ireland, the basic principles of which were adhered to by the Government of the Union of Soviet Socialist Republics on September 24, 1941;

And whereas the President of the United States of America has determined, pursuant to the act of Congress of March 11, 1941, that the defense of the Union of Soviet Socialist Republics against aggression is vital to the defense of the United States of America;

And whereas the United States of America has extended and is continuing to extend to the Union of Soviet Socialist Republics aid in resisting aggression;

And whereas it is expedient that the final determination of the terms and conditions upon which the Government of the Union of Soviet Socialist Republics receives such aid and of the benefits to be received by the United States of America in return therefor should be deferred until the extent of the defense aid is known and until the progress of events makes clearer the final terms and conditions and benefits which will be in the mutual interests of the United States of America and the Union of Soviet Socialist Republics and will promote the establishment and maintenance of world peace;

And whereas the Governments of the United States of America and the Union of Soviet Socialist Republics are mutually desirous of concluding now a preliminary agreement in regard to the provision of defense aid and in regard to certain considerations which shall be taken into account in determining such terms and conditions and the making of such an agreement has been in all respects duly authorized, and all acts, conditions, and formalities which it may have been necessary to perform, fulfill, or execute prior to the making of such an agreement in conformity with the laws either of the United States of America or of the Union of Soviet Socialist Republics have been performed, fulfilled, or executed as required;

The undersigned, being duly authorized by their respective Governments for that purpose, have agreed as follows:

Article 1

The Government of the United States of America will continue to supply the Government of the Union of Soviet Socialist Republics with such defense articles, defense services, and defense information as the President of the United States of America shall authorize to be transferred or provided.

Article II

The Government of the Union of Soviet Socialist Republics will continue to contribute to the defense of the United States of America and the strengthening thereof and will provide such articles, services, facilities, or information as it may be in a position to supply.

Article III

The Government of the Union of Soviet Socialist Republics will not without the consent of the President of the United States of America transfer title to, or possession of, any defense article or defense information transferred to it under the Act of March 11, 1941, of the Congress of the United States of America or permit the use thereof by anyone not an officer, employee, or agent of the Government of the Union of Soviet Socialist Republics.

Article IV

If, as a result of the transfer to the Government of the Union of Soviet Socialist Republics of any defense article or defense information, it becomes necessary for that Government to take any action or make any payment in order fully to protect any of the rights of a citizen of the United States of America who has patent rights in and to any such defense article or information, the Government of the Union of Soviet Socialist Republics will take such action or make such payment when requested to do so by the President of the United States of America.

Article V

The Government of the Union of Soviet Socialist Republics will return to the United States of America at the end of the present emergency, as determined by the President of the United States of America, such defense articles transferred under this Agreement as shall not have been destroyed, lost or consumed and as shall be determined by the President to be useful in the defense of the United States of America or of the Western Hemisphere or to be otherwise of use to the United States of America.

Article VI

In the final determination of the benefits to be provided to the United States of America by the Government of the Union of Soviet Socialist Republics full cognizance shall be taken of all property, services, information, facilities, or other benefits or considerations provided by the Government of the Union of Soviet Socialist Republics subsequent to March 11, 1941, and accepted or acknowledged by the President on behalf of the United States of America.

Article VII

In the final determination of the benefits to be provided to the United States of America by the Government of the Union of Soviet Socialist Republics in return for aid furnished under the Act of Congress of March 11, 1941, the terms and conditions thereof shall be such as not to burden commerce between the two countries, but to promote mutually advantageous economic relations between them and the betterment of world-wide economic relations. To that end, they shall include provision for agreed action by the United States of America and the Union of Soviet Socialist Republics, open to participation by all other countries of like mind, directed to the expansion, by appropriate international and domestic measures, of production, employment, and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples; to the elimination of all forms of discriminatory treatment in international commerce, and to the reduction of tariffs and other trade barriers; and, in general, to the attainment of all the economic objectives set forth in the Joint Declaration made on August 14, 1941, by the President of the United States of America and the Prime Minister of the United Kingdom, the basic principles of which were adhered to by the Government of the Union of Soviet Socialist Republics on September 24, 1941.

At an early convenient date, conversations shall be begun between the two Governments with a view to determining, in the light of governing economic conditions, the best means of attaining the above-stated objectives by their own agreed action and of seeking the agreed action of other likeminded Governments

Article VIII

This Agreement shall take effect as from this day's date. It shall continue in force until a date to be agreed upon by the two Governments.

Signed and sealed at Washington in duplicate this eleventh day of June, 1942.

For the Government of the United States of America

CORDELL HULL,
Secretary of State of the United States of America.
For the Government of the Union of Soviet Socialist Republics
MAXIM LITVINOFF,

Ambassador of the Union of Soviet Socialist Republics at Washington.

The following is an exchange of notes between the Secretary of State and the Ambassador of the Union of Soviet Socialist Republics at Washington:

Department of State,

Washington, June 11, 1942.

EXCELLENCY:

In connection with the signature on this date of the Agreement between our two Governments on the Principles Applying to Mutual Aid in the Prosecution of the War Against Aggression, I have the honor to confirm our understanding that this Agreement replaces and renders inoperative the two prior arrangements on the same subject between our two Governments, the most recent of which was expressed in the exchange of communications between the President and Mr. Stalin dated respectively February 13, February 20, and February 23, 1942.

Accept, Excellency, the renewed assurances of my highest consideration.

CORDELL HULL,

Secretary of State of the United States of America.

His Excellency MAXIM LITVINOFF,

Ambassador of the Union of Soviet Socialist Republics.

JUNE 11, 1942.

Excellency:

In connection with the signature on this date of the Agreement between our two Governments on the Principles Applying to Mutual Aid in the Prosecution of the War Against Aggression, I have the honor to confirm our understanding that this Agreement replaces and renders inoperative the two prior arrangements on the same subject between our two Governments, the most recent of which was expressed in the exchange of communications between the President and Mr. Stalin dated respectively February 13, February 20, and February 23, 1942.

Accept, Excellency, the renewed assurances of my highest consideration.

MAXIM LITVINOFF,

Ambassador of the Union of Soviet Socialist Republics at Washington. His Excellency Cordell Hull,

Secretary of State of the United States of America,

Washington, D. C.

Appendix III

RECIPROCAL AID AGREEMENTS

Reciprocal aid agreements with United Kingdom, Australia, New Zealand, and Fighting France were concluded September 3, 1942, by the following exchanges of notes. The first three agreements were signed in Washington and the agreement with Fighting France was signed in London.

Agreement With United Kingdom

The Honorable Cordell Hull, Secretary of State, United States Department of State,

Washington, D. C.

Sir: In the United Nations declaration of January 1, 1942, the contracting governments pledged themselves to employ their full resources, military or economic, against those nations with which they are at war and in the Agreement of February 23, 1942, each contracting government undertook to provide the other with such articles, services, facilities, or information useful in the prosecution of their common war undertaking as each may be in a position to supply. It is further the understanding of the Government of the United Kingdom of Great Britain and Northern Ireland that the general principle to be followed in providing mutual aid as set forth in the said Agreement of February 23, 1942, is that the war production and the war resources of both Nations should be used by the armed forces of each and of the other United Nations in ways which most effectively utilize the available materials, manpower, production facilities, and shipping space.

With a view, therefore, to supplementing Article 2 and Article 6 of the Agreement of February 23, 1942, between our two Governments for the provision of reciprocal aid, I have the honour to set forth below the understanding of the Government of the United Kingdom of Great Britain and Northern Ireland of the principles and procedures applicable to the provision of aid by the Government of the United Kingdom of Great Britain and Northern Ireland to the armed forces of the United States and the manner in which such aid will be correlated with the maintenance of those forces by the United States Government.

1. While each Government retains the right of final decision, in the light of its own potentialities and responsibilities, decisions as to the most effective use of resources shall, so far as possible, be made in common, pursuant to common plans for winning the war.

2. As to financing the provision of such aid, within the fields mentioned below, it is the understanding of the Government of the United Kingdom of Great Britain and Northern Ireland that the general principle to be applied, to the point at which the common war effort is most effective, is that as large a portion as possible of the articles and services which each Government may authorize to be provided to the other shall be in the form of reciprocal aid so that the need of each Government for the currency of the other may be reduced to a minimum.

It is accordingly the understanding of the Government of the United Kingdom of Great Britain and Northern Ireland that the United States Government will provide, in accordance with the provisions of, and to the extent authorized under, the Act of March 11, 1941, the share of its war production made available to the United Kingdom. The Government of the United Kingdom will provide on the same terms and as reciprocal aid so much of its war production made available to the United States as it authorizes in accordance with the Agreement of February 23, 1942.

3. The Government of the United Kingdom will provide the United States or its armed forces with the following types of assistance as such reciprocal aid, when it is found that they can most effectively be procured

in the United Kingdom or in the British Colonial Empire:

(a) Military equipment, munitions, and military and naval stores.

(b) Other supplies, materials, facilities, and services for the United States forces, except for the pay and allowances of such forces, administrative expenses, and such local purchases as its official establishments may make other than through the official establishments of the Government of the United Kingdom as specified in paragraph 4.

(c) Supplies, materials, and services needed in the construction of military projects, tasks, and similar capital works required for the common war effort in the United Kingdom or in the British Colonial Empire, except for the wages and salaries of United States citizens.

- (d) Supplies, materials, and services needed in the construction of such military projects, tasks, and capital works in territory other than the United Kingdom or the British Colonial Empire or territory of the United States to the extent that the United Kingdom or the British Colonial Empire is a more practicable source of supply than the United States or another of the United Nations.
- 4. The practical application of the principles formulated in this note, including the procedure by which requests for aid by either Government are made and acted upon, shall be worked out as occasion may require by agreement between the two Governments, acting when possible through their appropriate military or civilian administrative authorities. Requests by the United States Government for such aid will be presented by duly authorized authorities of the United States to official agencies of the United Kingdom which will be designated or established in London and in the areas where United States forces are located for the purpose of facilitating the provision of reciprocal aid.
- 5. It is the understanding of the Government of the United Kingdom of Great Britain and Northern Ireland that all such aid, as well as other aid, including information, received under Article 6 of the Agreement of February 23, 1942, accepted by the President of the United States or his authorized representatives from the Government of the United Kingdom will be received as a benefit to the United States under the Act of March 11, 1941. Insofar as circumstances will permit, appropriate record of aid received under this arrangement, except for miscellaneous facilities and services, will be kept by each Government.

If the Government of the United States concurs in the foregoing, I would suggest that the present note and your reply to that effect be regarded as placing on record the understanding of our two Governments in this matter.

I have the honour to be, with the highest consideration, Sir, your most

obedient, humble servant,

HALIFAX.

September 3, 1942

His Excellency the Right Honorable The Viscount Halifax, K. G., British Ambassador.

EXCELLENCY: I have the honor to acknowledge the receipt of Your Excellency's note of today's date concerning the principles and procedures applicable to the provision of aid by the Government of the United Kingdom of Great Britain and Northern Ireland to the armed forces of the United States of America.

In reply I wish to inform you that the Government of the United States agrees with the understanding of the Government of the United Kingdom of Great Britain and Northern Ireland as expressed in that note. In accordance with the suggestion contained therein, your note and this reply will be regarded as placing on record the understanding between our two Governments in this matter.

This further integration and strengthening of our common war effort gives me great satisfaction.

Accept, Sir, the renewed assurances of my highest consideration.

CORDELL HULL,

Secretary of State of the United States of America.

September 3, 1942

Agreement with Australia

The Honorable Cordell Hull,

Secretary of State, Washington, D. C.

Sir: As contracting parties to the United Nations Declaration of January 1, 1942, the Governments of the United States of America and the Commonwealth of Australia pledged themselves to employ their full resources, military and economic, against those nations with which they are at war.

With regard to the arrangements for mutual aid between our two governments, I refer to the agreement signed at Washington on February 23, 1942, between the Governments of the United States of America and the United Kingdom on principles applying to mutual aid in the present war authorized and provided for by the Act of Congress of March 11, 1941, and have the honour to inform you that the Government of the Commonwealth of Australia accepts the principles therein contained as governing the provision of mutual aid between itself and the Government of the United States of America.

It is the understanding of the Government of the Commonwealth of Australia that the general principle to be followed in providing such aid is that the war production and war resources of both nations should be used by the armed forces of each, in the ways which most effectively utilize available materials, manpower, production facilities, and shipping space.

I now set forth the understanding of the Government of the Commonwealth of Australia of the principles and procedure applicable to the provision of aid by the Government of the Commonwealth of Australia to the armed forces of the United States and the manner in which such aid will be correlated with the maintenance of those forces by the United States Government.

- 1. While each Government retains the right of final decision, in the light of its own potentialities and responsibilities, decisions as to the most effective use of resources shall, so far as possible, be made in common, pursuant to common plans for winning the war.
- 2. As to financing the provision of such aid, within the fields mentioned below, it is my understanding that the general principles to be applied to the point at which the common war effort is most effective, is that as large a portion as possible of the articles and services which each Government may authorize to be provided to the other shall be in the form of reciprocal aid so that the need of each Government for the currency of the other may be reduced to a minimum.

It is accordingly my understanding that the United States Government will provide, in accordance with the provisions of, and to the extent authorized under, the Act of March 11, 1941, the share of its war production made available to Australia. The Government of Australia will provide on the same terms and as reciprocal aid so much of its war production made available to the United States as it authorizes in accordance with the principles enunciated in this note.

3. The Government of Australia will provide as reciprocal aid the following types of assistance to the armed forces of the United States in Australia or its territories and in such other cases as may be determined by common agreement in the light of the development of the war.

(a) Military equipment, ammunition, and military and naval stores.

(b) Other supplies, materials, facilities, and services for the United States forces except for the pay and allowances of such forces, administrative expenses, and such local purchases as its official establishments may make other than through the official establishments of the Australian Government as specified in paragraph 4.

(c) Supplies, materials, and services needed in the construction of military projects, tasks and similar capital works required for the common war effort in Australia and in such other places as may be determined, except for the wages and salaries of United States citizens.

4. The practical application of the principles formulated in this note, including the procedure by which requests for aid by either Government are made and acted upon, shall be worked out as occasion may require by agreement between the two Governments, acting when possible through their appropriate military or civilian administrative authorities. Requests by the United States Government for such aid will be presented by duly authorized authorities of the United States to official agencies of the Commonwealth of Australia which will be designated or established in Can-

berra and in the areas where United States forces are located for the purpose of facilitating the provision of reciprocal aid.

5. It is my understanding that all such aid accepted by the President of the United States or his authorized representatives from the Government of Australia will be received as a benefit to the United States under the Act of March 11, 1941. Insofar as circumstances will permit appropriate record of aid received under this arrangement, except for miscellaneous facilities and services, will be kept by each Government.

If the Government of the United States concurs in the foregoing, I would suggest that the present note and your reply to that effect be regarded as placing on record the understanding of our two Governments in this

matter.

I have the honor to be with the highest consideration, Sir, your obedient servant,

Owen Dixon.

September 3, 1942.

The Honorable Sir Owen DIXON, K. C. M. G.,

Minister of Australia.

Sir: I have the honor to acknowledge receipt of your note of today's date concerning the principles and procedures applicable to the provision of aid by the Government of the Commonwealth of Australia to the armed forces of the United States of America.

In reply I have the honor to inform you that the Government of the United States of America likewise accepts the principles contained in the agreement of February 23, 1942, between it and the Government of the United Kingdom as governing the provision of mutual aid between the Governments of the United States and of the Commonwealth of Australia. My Government agrees with the understanding of the Government of the Commonwealth of Australia as expressed in your note of today's date, and, in accordance with the suggestion contained therein, your note and this reply will be regarded as placing on record the understanding between our two Governments in this matter.

This further integration and strengthening of our common war effort gives me great satisfaction.

Accept, Sir, the renewed assurances of my highest consideration.

CORDELL HULL,

Secretary of State of the United States of America.

September 3, 1942.

Agreement with New Zealand.

The Honorable Cordell Hull, Secretary of State,

United States Department of State,

Washington, D. C.

Sir: As contracting parties to the United Nations Declaration of January 1, 1942, the Governments of the United States of America and New Zealand

pledged themselves to employ their full resources, military and economic, against those nations with which they are at war.

In the Agreement of February 23, 1942, between the Governments of the United Kingdom and of the United States of America, the provisions and principles of which the Government of New Zealand considers applicable to its relations with the Government of the United States, each contracting Government undertook to provide the other with such articles, services, facilities, or information useful in the prosecution of their common war undertaking as each may be in a position to supply.

It is the understanding of the Government of New Zealand that the general principle to be followed in providing such aid is that the war production and war resources of both nations should be used by each, in the ways which most effectively utilize available materials, manpower, pro-

duction facilities, and shipping space.

I now set forth the understanding of the Government of New Zealand of the principles and procedure applicable to the provision of aid by the Government of New Zealand to the armed forces of the United States and the manner in which such aid will be correlated with the maintenance of those forces by the United States Government.

1. While each Government retains the right of final decision, in the light of its own potentialities and responsibilities, decisions as to the most effective use of resources shall, so far as possible, be made in common,

pursuant to common plans for winning the war.

2. As to financing the provision of such aid, within the fields mentioned below, it is my understanding that the general principle to be applied, to the point at which the common war effort is most effective, is that as large a portion as possible of the articles and services to be provided by each Government to the other shall be in the form of reciprocal aid so that the need of each Government for the currency of the other may be reduced to a minimum.

It is accordingly my understanding that the United States Government will provide, in accordance with the provisions of, and to the extent authorized under, the Act of March 11, 1941, the share of its production made available to New Zealand. The Government of New Zealand will provide on the same terms and as reciprocal aid so much of its production made available to the United States as it authorizes in accordance with the principles enunciated in this note.

3. The Government of New Zealand will provide the United States or its armed forces with the following types of assistance, as such reciprocal aid, when it is found that they can most effectively be procured in New Zealand.

(a) Military equipment, munitions, and military and naval stores.

(b) Other supplies, materials, facilities, and services for the United States forces, except for the pay and allowances of such forces, administrative expenses, and such local purchases as its official establishments may make other than through the official establishments of the Government of New Zealand as specified in Paragraph 4.

- (c) Supplies, materials, and services needed in the construction of military projects, tasks, and similar capital works required for the common war effort in New Zealand, except for the wages and salaries of United States citizens.
- (d) Supplies, materials, and services needed in the construction of such military projects, tasks, and capital works in territory other than New Zealand or territory of the United States to the extent that New Zealand is a more practicable source of supply than the United States or another of the United Nations.
- 4. The practical application of the principles formulated in this note, including the procedure by which requests for aid by either Government are made and acted upon, shall be worked out as occasion may require by agreement between the two Governments, acting when possible through their appropriate military or civilian administrative authorities.

5. It is my understanding that all such aid accepted by the President of the United States or his authorized representatives from the Government of New Zealand will be received as a benefit to the United States under the Act of March 11, 1941. Insofar as circumstances will permit, appropriate record of aid received under this arrangement, except for miscellaneous facilities and services, will be kept by each Government.

If the Government of the United States concurs in the foregoing, I would suggest that the present note and your reply to that effect be regarded as placing on record the understanding of our two Governments in this matter.

I have the honour to be, Sir, Your obedient servant,

> Walter Nash, Minister of New Zealand.

September 3, 1942

The Honorable WALTER NASH,

Minister of New Zealand.

Sir: I have the honor to acknowledge receipt of your note of today's date concerning the principles and procedures applicable to the provision of aid by the Government of New Zealand to the armed forces of the United States of America.

In reply I have the honor to inform you that the Government of the United States of America likewise considers the provisions and principles contained in the agreement of February 23, 1942, between it and the Government of the United Kingdom as applicable to its relations with the Government of New Zealand. My Government agrees with the understanding of the Government of New Zealand as expressed in your note of today's date, and, in accordance with the suggestion contained therein, your note and this reply will be regarded as placing on record the understanding between our two Governments in this matter.

This further integration and strengthening of our common war effort gives me great satisfaction.

Accept, Sir, the renewed assurances of my highest consideration.

CORDELL HULL,

Secretary of State of the United States of America.

September 3, 1942

Agreement With French National Committee.

Text of Note to General Dahlquist From French National Committee

The French National Committee sets forth below its understanding of the principles governing the provision of reciprocal aid by the United States of America to Fighting France and by Fighting France to the United States:

1. The United States of America will continue to supply Fighting France with such defense articles, defense services, and defense information as the

President shall authorize to be transferred or provided.

2. Fighting France will continue to contribute to the defense of the United States of America and the strengthening thereof and will provide such articles, services, facilities, or information as it may be in a position

to supply.

3. The fundamental principle to be followed in providing such aid is that the war production and war resources of Fighting France and of the United States of America should be used by the armed forces of each in the ways which most effectively utilize available materials, manpower, production facilities, and shipping space. While each retains the right of final decision, in the light of its own potentialities and responsibilities, decisions as to the most effective use of resources shall, so far as possible, be made in common, pursuant to common plans for winning the war.

4. As to financing the provision of such aid, within the fields mentioned below, it is the Committee's understanding that the general principle to be applied, to the point at which the common war effort is most effective, is that as large a portion as possible of the articles and services to be pro-

vided by each to the other shall be in the form of reciprocal aid.

It is accordingly the Committee's understanding that the United States Government will provide, in accordance with the provisions of, and to the extent authorized under, the Act of March 11, 1941, the share of its war production made available to Fighting France. Fighting France will provide on the same terms and as reciprocal aid so much of its war production made available to the United States as it authorized in accordance with the principles enunciated in this note.

5. Within the territories under the control of Fighting France, or within the same theater of operations, the National Committee will provide the United States or its armed forces with the following types of assistance, as such reciprocal aid, when it is found that they can most effectively be

procured in territory under the control of Fighting France:

(a) Military equipment, munitions, and military and naval stores.

(b) Other supplies, materials, facilities, and services for the United States forces, except for the pay and allowances of such forces, adminis-

trative expenses, and such local purchases as its official establishments may make other than through the official establishments of Fighting

France as specified in paragraph 6.

(c) Supplies, materials, and services, except for the wages and salaries of United States citizens, needed in the construction of military projects, tasks, and similar capital works required for the common war effort in territory under the control of Fighting France, or in the same theater of operations, to the extent that such territory is the most practicable source of supply.

6. The practical application of the principles formulated in this note, including the procedure by which requests for aid are made and acted upon, shall be worked out by agreement as occasion may require through the appropriate military or civilian administrative authorities. Requests by the United States forces for such aid will be presented by their duly authorized authorities to official agencies of Fighting France which will be designated or established in the areas where United States forces are located for the purpose of facilitating the provision of reciprocal aid.

7. It is the Committee's understanding that all such aid accepted by the President of the United States of his authorized representatives from Fighting France will be received as a benefit to the United States under the Act of March 11, 1941. Insofar as circumstances will permit, appropriate record of aid received under this arrangement, except for miscellaneous

facilities and services, will be kept by each.

If the Government of the United States concurs in the foregoing, the present note and a reply to that effect will be regarded as placing on record the understanding in this matter.

Text of Note to French National Committee From General Dahlquist

The Government of the United States of America agrees with the understanding of the National Committee, as expressed in the English text of the Committee's note of today's date, concerning the principles and procedures applicable to the provisions of aid by Fighting France to the armed forces of the United States of America and, in accordance with the suggestion contained therein, that note and this reply will be regarded as placing on record the understanding in this matter.

September 3, 1942

Appendix IV

MODUS VIVENDI ON RECIPROCAL AID IN FRENCH NORTH AND WEST AFRICA

The Government of the United States and the French Committee of National Liberation, desirous of lending each other the reciprocal aid necessary to the prosecution of the joint war effort, are agreed upon the following provisional Modus Vivendi which will, following signature, be applicable in French North and West Africa:

I. With reference to supplies and services urgently needed to maintain the French war effort, which the United States has furnished to the French authorities and will continue to furnish, within limitations of need and

supply, it is understood that:

(a) Military aid, including supplies for railroads, docks, public utilities, and other facilities to the extent that such supplies are determined to be military aid is made available on a straight Lend-Lease basis, in the light of the considerations set forth in Paragraph V. Such aid does not include the pay and allowances of French forces. The United States reserves the right to require the return of any articles furnished under this paragraph and not lost, destroyed or consumed,

(i) if at any time it is decided that such restitution would be an ad-

vantage in the conduct of the war, or

(ii) if at the end of the present emergency as determined by the President of the United States, the President shall determine that such articles are useful in the defense of the United States or of the Western Hemisphere, or to be otherwise of use to the United States.

(b) For all civilian supplies imported from the United States, the French authorities will pay upon the basis of prices to be agreed. Payment will be made, currently at convenient intervals, in dollars, to an appropriately designated account in the United States.

(c) The distinction between civilian and military aid, supplies and services, where such distinction may be necessary, will be made by agreement.

(d) All aid furnished under Paragraph I (a) and I (b) will be made available by the United States under the authority and subject to the terms and conditions provided for in the Act of Congress of 11 March, 1941, as amended (P. L. 11, 77th Congress, 1st Session).

II. With reference to supplies and services urgently needed to maintain the United States war effort, which the French authorities have furnished to the United States and will continue to furnish, within limitations of need and supply, it is understood that:

- (a) The French authorities undertake to make available to or for the use of the armed forces and other governmental agencies of the United States, as reverse Lend-Lease aid to the United States, on a straight Lend-Lease basis, when it is found that such aid can most effectively be procured in territory under their control,
 - (i) military equipment, munitions, and military and naval stores;
 - (ii) other supplies, materials, facilities and services for United States forces, including the use of railway and port facilities, but not including the pay and allowances of such forces nor the administrative expenses of American missions;
 - (iii) supplies, materials, facilities and services, except for the wages and salaries of United States citizens, needed in the construction of military projects, tasks and similar capital works required in the common war effort, to the extent that French North or West Africa is the most practicable source of such supplies, materials, facilities or services;
 - (iv) such other supplies, materials, services or facilities as may be agreed upon as necessary in the prosecution of the war, but not including exports of civilian supplies to the United States from North and West Africa.

While the French authorities retain, of course, the right of final decision, subject to the obligations and arrangements they have entered into for the prosecution of the war, decisions as to the most effective use of resources shall, so far as possible, be made in common, pursuant to common plans for winning the war.

(b) All civilian supplies exported from French North and West Africa to the United States will be paid for on the basis of prices to be agreed. Payment will be made currently, at convenient intervals, in dollars, to an appropriate designated account in the United States.

(c) The distinction between civilian and military aid, supplies and services, where such distinction may be necessary, will be made by agree-

- (d) In order to obtain the supplies and services included within the scope of Paragraph II (a), duly authorized United States officers or other officials will submit their requests to the official services duly designated by the French authorities. These services will be established in Algiers, Casablanca, Oran, Tunis, Dakar, and other places where it may be found practicable and convenient to establish organizations for facilitating the transfer of reciprocal aid.
- (e) For use in those exceptional cases, and particularly in cases of local procurement of supplies, in which it is agreed to be more practicable to secure such reverse Lend-Lease supplies, facilities and services by direct purchase, rather than by the method of procurement set forth in Paragraph II (b), it is agreed that the French authorities establish a franc account in convenient banking institutions and in the name of a designated officer of the United States to facilitate the provision of reverse Lend-Lease aid as con-

templated by Paragraph II (a). The French contributions to this account will be mutually agreed upon from time to time in the light of the changing needs of the American forces, and other appropriate factors. Such an account will not be used for the payment of wages and salaries of American military or civilian personnel, nor for administrative expenses of American missions. Estimates of the franc requirements of the United States will be submitted to designated French authorities from time to time, as may be found convenient. The French authorities will be kept fully and currently informed of all transactions in this account.

III. In exceptional cases, and when they deem it preferable, the American military forces, or other agencies of the United States Government, may continue to use their present practice of acquiring francs against dollars from the French authorities.

IV. Adequate statistical records will be kept of all goods and services

exchanged as mutual aid under paragraphs I and II above.

V. The provisions of this modus vivendi correspond to a desire to reduce to an appropriate minimum the need of either party for currency of the other party. Provisions which call for payments in dollars have been decided upon in view of the special situation arising from accumulated dollar balances and availabilities of dollar funds due to the presence of United States troops in French North and West Africa. Revision of the payment provisions of this modus vivendi will be made should the situation require.

Signed at Algiers this 25th day of September, A. D. 1943.

For the Government of the United States of America:

/s/ Robert Murphy

For the French Committee of National Liberation:

/s/ Massigli /s/ Jean Monnet

September 25, 1943.

Appendix V

EXECUTIVE ORDER ESTABLISHING FOREIGN ECONOMIC ADMINISTRATION

By virtue of the authority vested in me by the Constitution and the statutes of the United States, as President of the United States and Commander in Chief of the Army and Navy, and in order to unify and consolidate governmental activities relating to foreign economic affairs, it is hereby ordered as follows:

1. There is established in the Office for Emergency Management of the Executive Office of the President the Foreign Economic Administration (hereinafter referred to as the Administration), at the head of which shall

be an Administrator.

- 2. The Office of Lend-Lease Administration, the Office of Foreign Relief and Rehabilitation Operations, the Office of Economic Warfare (together with the corporations, agencies, and functions transferred thereto by Executive Order No. 9361 of July 15, 1943), the Office of Foreign Economic Coordination (except such functions and personnel thereof as the Director of the Budget shall determine are not concerned with foreign economic operations) and their respective functions, powers, and duties are transferred to and consolidated in the Administration.
- 3. The Administrator may establish such offices, bureaus, or divisions in the Administration as may be necessary to carry out the provisions of this order, and may assign to them such of the functions and duties of the offices, agencies, and corporations consolidated by this order as he may deem desirable in the interest of efficient administration.

4. The powers and functions of the Administration shall be exercised in conformity with the foreign policy of the United States as defined by the Secretary of State. As soon as military operations permit, the Administration shall assume responsibility for and control of all activities of the United States Government in liberated areas with respect to supplying

the requirements of and procuring materials in such areas.

5. All the personnel, property, records, funds (including all unexpended balances of appropriations, allocations, or other funds now available), contracts, assets, liabilities, and capital stock (including shares of stock) of the offices, agencies, and corporations consolidated by paragraph 2 of this order are transferred to the Administration for use in connection with the excerise and performance of its functions, powers, and duties. In the case of capital stock (including shares of stock), the transfer shall be to such agency, corporation, office, officer, or person as the Administrator shall designate. The Administrator is authorized to employ such personnel as may be necessary in the performance of the functions of the Administration and in order to carry out the purposes of this order.

6. No part of any funds appropriated or made available under Public Law 139, approved July 12, 1943, shall hereafter be used directly or indirectly by the Administrator for the procurement of services, supplies, or equipment outside the United States except for the purpose of executing general economic programs or policies, formally approved by a majority of the War Mobilization Committee in writing filed with the Secretary of State prior to any such expenditure.

7. All prior Executive Orders insofar as they are in conflict herewith are amended accordingly. This order shall take effect upon the taking of office by the Administrator, except that the agencies and offices consolidated by paragraph 2 hereof shall continue to exercise their respective functions

pending any contrary determination by the Administrator.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, September 25, 1943.

Appendix VI EXECUTIVE ORDER ESTABLISHING OFFICE OF LEND-LEASE ADMINISTRATION

By virtue of the authority vested in me by the Constitution and statutes of the United States, and particularly by the Act of March 11, 1941, entitled "An Act further to promote the defense of the United States and for other purposes" (hereafter referred to as the Act), and by the Defense Aid Supplemental Appropriation Act, 1941, approved March 27, 1941, and acts amendatory or supplemental thereto, in order to define further the functions and duties of the Office for Emergency Management of the Executive Office of the President in respect to the national emergency as declared by the President on May 27, 1941, and in order to provide for the more effective administration of those Acts in the interests of national defense, it is hereby ordered as follows:

- 1. There shall be in the Office for Emergency Management of the Executive Office of the President an Office of Lend-Lease Administration, at the head of which shall be an Administrator, appointed by the President, who shall receive compensation at such rate as the President shall approve and, in addition, shall be entitled to actual and necessary transportation subsistence, and other expenses incidental to the performance of his duties.
- 2. Subject to such policies as the President may from time to time prescribe, the Administrator is hereby authorized and directed, pursuant to Section 9 of the Act, to exercise any power or authority conferred upon the President by the Act and by the Defense Aid Supplemental Appropriation Act, 1941, and any acts amendatory or supplemental thereto, with respect to any nation whose defense the President shall have found to be vital to the defense of the United States: *Provided*, That the master agreement with each nation receiving lend-lease aid, setting forth the general terms and conditions under which such nation is to receive such aid, shall be negotiated by the State Department, with the advice of the Economic Defense Board and the Office of Lend-Lease Administration.
- 3. The Administrator shall make appropriate arrangements with the Economic Defense Board for the review and clearance of lend-lease transactions which affect the economic defense of the United States as defined in Executive Order No. 8839 of July 30, 1941.
- 4. Within the limitation of such funds as may be made available for that purpose, the Administrator may appoint one or more Deputy or Assistant Administrators and other personnel, delegate to such Deputy or Assistant Administrators any power or authority conferred by these orders, and make provision for such supplies, facilities, and services as shall be necessary to carry out the provisions of this Order. Insofar as practicable, the Office of Lend-Lease Administration shall use such general business services and facilities as may be made available to it through the Office for Emergency Management.
- 5. Executive Order No. 8751 of May 2, 1941, establishing the Division of Defense Aid Reports and defining its functions and duties, is hereby revoked. The White House, FRANKLIN D. ROOSEVELT

October 28, 1941.

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FIFTEENTH REPORT TO CONGRESS ON LEND-LEASE OPERATIONS

For the Period Ended March 31, 1944

FIFTEENTH REPORT TO CONGRESS ON LEND-LEASE OPERATIONS

For the Period Ended March 31, 1944

"The President from time to time, but not less frequently than once every ninety days, shall transmit to the Congress a report of operations under this Act except such information as he deems incompatible with the public interest to disclose."

[From Section 5, subsection b, of "An Act to Promote the Defense of the United States" (Public Law No. 11, 77th Congress, 1st Session).]

For sale by the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. Price 30 cents

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PRESIDENT'S LETTER OF TRANSMITTAL

To THE CONGRESS OF THE UNITED STATES OF AMERICA:

I am submitting herewith the Fifteenth Report on Lend-Lease Operations for the period ending March 31, 1944.

United Nations forces are now about to strike new and mightier blows at Nazi-occupied Europe from offensive bases in the West, the South, and the East. The fighting men of many nations have been banded together in combined operations. They are armed with the most powerful weapons that the combined resources and ingenuity of the United Nations can produce. They are ready to bring to bear their strength to continue the crushing process against the Nazis and the German war machine.

Our American forces will go into battle side by side with the men of Britain, France, Norway, Poland, Czechoslovakia, Netherlands and our other allies. At sea, warships flying many United Nations flags will escort the fleets. In the skies, the R. A. F. will join with the United States Army Air Forces in blasting the paths for our troops and in protecting them from air attack.

For this great undertaking, the United Nations fighting partnership has been made far stronger by lend-lease and reverse lend-lease. Through lend-lease we have made certain that every man in the forces of the other United Nations who goes into battle beside an American fighting man has what he needs to hit the common enemy as hard as possible. Through reverse lend-lease, the American Forces have been similarly aided by our allies with everything they had that we needed.

On the eastern European front also, arms and other war supplies provided by the United States and the British Commonwealth, will continue to strengthen the Soviet Armies for the new blows that will be timed with our advances.

In the Far East and the Pacific our offensives in New Guinea, in Burma, and against the Japanese fortress islands in the Central Pacific are proof that the battle for Japan is not waiting upon the successful conclusion of the battle against Nazi Germany. China is being helped to the utmost of our ability.

Decisive battles are ahead. Now, more than ever, it is vital to our own American Army and Navy and Air Forces, as well as to the forces of the other United Nations, that we continue to provide our fighting partners with the additional war supplies they need to supplement their own resources. Congress has again recognized this fact by its overwhelming vote to extend the Lend-Lease Act.

Only by uniting our full strength with the full strength of the other free peoples of the world have we moved from the defensive to the offensive, from defeats to victories. By maintaining our unity now we shall certainly achieve final victory. By continuing our unity after the war we can assure a peace in which mankind can live and work and worship in peace, freedom, and security.

Franklin D. Roosevelt.

THE WHITE House, *May* 22, 1944.

Chapter 1

MUTUAL AID

Lend-Lease Totals

With United Nations offensives already underway in the air, on land and by sea, and greater offensives now impending, the United States provided to its allies in the first three months of 1944, the record-breaking total of more than four billion dollars worth of lend-lease aid. This consisted of planes, tanks, and other war supplies transferred, and shipping, repair, and other services rendered under the Lend-Lease Act to strengthen the fighting power of the allied armed services fighting side by side with American forces against our common enemies. About 97 percent of all lend-lease aid has gone to the British Commonwealth, the Soviet Union and China.

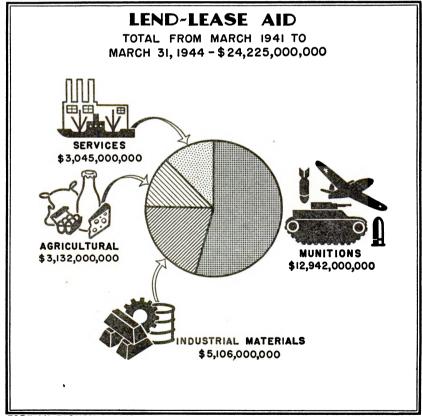
In the first sixty days of 1944 alone over 2,100 lend-lease planes, almost 2,000 tanks, and over 60,000 other military motor vehicles were sent from the United States to the forces of the other United Nations fighting the Germans and the Japanese.

Since the beginning of the lend-lease program on March 11, 1941, we have sent a total of more than 30,000 planes, about 25,000 tanks and over 800,000 other military motor vehicles to the forces of our allies. Of these totals over 23,000 of the planes, over 23,000 of the tanks and almost 550,000 of the other motor vehicles went under lend-lease. The others were paid for in cash by our allies.

Over half of all lend-lease aid has consisted of fighting equipment—planes, tanks, guns, ships, bombs and other finished munitions. The other supplies transferred under lend-lease—the industrial materials and products and the

food—have been just as essential in the fighting. A bar of steel from Pittsburgh sent to Britain ends up, for example, in a blockbuster bomb dropped by a Lancaster on Frankfurt; or pork from a hog raised in Indiana ends up in a lend-leased can of "Tushonka" eaten by a Soviet soldier just before the final attack on Odessa. Supplies for the production of munitions and foodstuffs are also weapons of war.

The balance of lend-lease aid consists of services: The cost of shipping the supplies and ferrying the planes to battle fronts around the world; servicing and repairing damaged allied men-of-war and merchant ships; factories built in the United States with lend-lease funds to produce lend-lease equipment; and the cost of such other services as the allied pilot-training program.



FOREIGN ECONOMIC ADMINISTRATION

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Chart 1

TOTAL LEND-LEASE AID

March 1941 through March 31, 1944

	Amount	% of Total
Goods Transferred: Munitions	\$12,942,271,000 5,106,296,000 3,131,684,000	53.4 21.1 12.9
Total Transfers	21,180,251,000	87.4
Services Rendered: Servicing and Repair of Ships, etc Rental of Ships, Ferrying of Aircraft,	432,311,000	1.8
etc	1,902,945,000 617,465,000 91,834,000	7.9 2.5 0.4
Total Services	3,044,555,000	12.6
Total Lend-Lease Aid	24,224,806,000 *590,461,000	100.0

^{*}Goods consigned to United States commanding generals for subsequent transfer in the field to lend-lease countries. The value of such goods transferred is not included in the lend-lease aid total of \$24,224,806,000. Further information on consignments to commanding generals is given in Table 13, page 46.

Table 1

The total amount of lend-lease aid shown in Table 1 includes all the aid reported to April 1, 1944 that has been provided to other countries under the terms of the Lend-Lease Act by all Government departments. It includes all supplies transferred and services rendered with funds appropriated for lend-lease purposes to the President, as well as all supplies transferred and services rendered with funds appropriated to the War and Navy Departments and to the Maritime Commission under transfer authorizations specifically written into Appropriation Acts for these agencies by the Congress. The amounts of the various appropriations and authorizations are shown in Table 10 on page 42.

Mutual Benefits

The volume of lend-lease aid has been great, but what we have spent on lend-lease has been only 14 cents of every dollar spent by the United States for war purposes. The other 86 cents of each war dollar have been used for our own fighting men and our war production. By far the greater proportion of everything we have produced to fight this war has gone to the United States armed forces. But what we have provided under lend-lease to our allies is equally helping the men in our own Army and Navy and Air Forces. For our allies use the supplies we send against the same enemy our men are fighting. Our allies as well as we have one primary purpose—to defeat our common enemies as effectively and speedily as possible.

Millions of Germans and Japanese will never fight against Americans because they have been killed or captured by our allies with the help of lend-lease supplies. Lend-lease is working for America on the Russian front—in Africa and Italy—in the skies over Germany—in Burma and China and New Guinea—just as surely as it is working for the other United Nations.

United States forces and our merchant marine overseas are also receiving great quantities of supplies and services as reverse lend-lease aid, provided by our allies without payment by us. By the first of this year the aid provided to us by the nations of the British Commonwealth since June 1, 1942, totalled over \$2,000,000,000 and the rate of aid was approaching \$2,000,000,000 a year.

Just as our allies benefit from the other 86 percent of our war expenditures, so we benefit in turn from all of their war expenditures, whether they are for reverse lend-lease and mutual aid or not. In the case of the Soviet Union and China, for example, virtually all of their resources are needed for fighting the invaders of their own soil and it is essential to the success of our own military operations that their resources be so used. This is a United Nations war. The total fighting and productive power that each of the United Nations can put into our combined operations to defeat our common enemies is of benefit to all the others.

The allocation of supplies among the theatres of war and among the forces of the United Nations is governed by combined military strategic decisions. Whether supplies produced in one nation are transferred to another of the United Nations under lend-lease or mutual aid, or whether they are retained, the guiding principle is always the same—how can they be used most effectively to bring about the defeat of the enemy?

All the experience and information that we have available indicate that in proportion to their available resources our principal allies are putting into this war fully as much as we are, including our lend-lease aid. This is true in terms of the percentage of their manpower in uniform, in terms of the percentage of gross national production each is devoting to war purposes, and in terms of their increased taxes and increased national indebtedness in relation to national income.

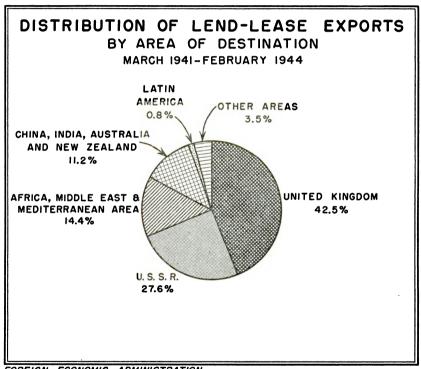
There is no way, of course, by which a statistical balance sheet of the contributions made by the various United Nations to the winning of the war can be drawn up. The millions who have given their lives in many lands—the homes destroyed—the sacrifices and the courage—all these are vital and human factors which cannot be adequately measured but are essential for our ultimate victory along with planes, tanks, guns, and ships, and dollars, pounds, and rubles.

Lend-lease and reverse lend-lease are not a system of debits and credits. They involve neither gifts, nor loans or transfers of money. They are, instead, a system of mutual war supply that has been evolved by the United Nations to make possible the effective combined operations by which we are fighting and winning the war. The benefits which we and all of the United Nations have already mutually received from this system are beyond price.

Before we had found how to strengthen each other through mutual aid and had become United Nations, the forces of aggression and tyranny were well on the way to the conquest of the world. It was less than three years ago that defeat and disaster or the imminent threat of disaster were the daily portion of each and all of the peace-loving nations of the world. Now it is the United Nations who are winning the

battles; it is we who have mobilized the tremendous striking power that can bring ultimate victory.

We are on the eve of new and greater offensives. When our men go into the battles that lie ahead they will be part of a United Nations fighting team that has been made infinitely stronger through lend-lease and mutual aid. They will have fighting shoulder to shoulder with them friends whom we aided in adversity and who now aid us. We shall win final victory far sooner, and the cost in lives will be far less, because we have learned to work together—as free peoples—to our mutual benefit.



FOREIGN ECONOMIC ADMINISTRATION

Chart 2

LEND-LEASE EXPORTS TO ALL COUNTRIES

Thousands of Dollars

	Mar. 1941– Feb. 1942	Mar. 1942– Feb. 1943	Mar. 1943– Feb. 1944	Total
Ordnance and Ammunition. Aircraft and Parts Tanks and Motor Vehicles. Watercraft	95,707	1,037,422 1,015,324 870,247 95,997	1,911,438 2,222,892	3,022,469 3,239,643
Total Munitions Industrial Materials and Products Agricultural Products	296,556	3,018,990 1,477,176 1,092,315		9,374,518 4,413,568 3,407,531
Total	1,110,532	5,588,481	10,496,604	17,195,617

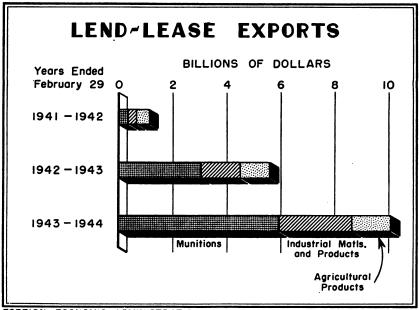
Table 2

Lend-Lease Exports

Lend-lease exports—the supplies actually shipped to our allies—totalled over \$17,000,000,000 between March 11, 1941, and March 1, 1944.

The difference between the dollar figures reported for lend-lease aid up to April 1, 1944, and the total of lend-lease exports is made up of the following factors:

- 1. The value of supplies transferred under the Lend-Lease Act which were exported during March. These export figures have not yet been tabulated.
 - 2. The value of supplies transferred and awaiting export.
- 3. The value of supplies transferred for use in this country.
- 4. The value of lend-lease services (these totalled over \$3,000,000,000 up to April 1, 1944).
- 5. The value of ships leased for the duration of the war, which are included in transfers but are not listed as



FOREIGN ECONOMIC ADMINISTRATION

Chart 3

exports (these totalled over \$1,900,000,000 up to March 1, 1944).

6. The value of supplies purchased outside the United States and transferred under lend-lease.

Because export figures show the theatres of war to which lend-lease supplies have actually been sent, they are used in the succeeding chapters of this report.

CHAPTER 2

THE UNITED KINGDOM

Three years ago, on March 11, 1941, Great Britain stood alone between the United States and the tide of Axis aggression that had swept across Western Europe. The German air force, infinitely superior in numbers to the RAF at that time, smashed at Britain's cities from the air. At sea, German submarines and surface raiders cut and jabbed at the lifelines which brought from overseas the food and other supplies without which Britain could not live. And always imminent was the threat of invasion from across the English Channel by German armies far stronger and far better equipped than the forces in Britain.

LEND-LEASE EXPORTS TO UNITED KINGDOM

Thousands of Dollars

	Mar. 1941– Feb. 1942	Mar. 1942– Feb. 1943	Mar. 1943– Feb. 1944	Total
Ordnance and Ammunition Aircraft and Parts Tanks and Motor Vehicles Watercraft	39,537 31,752 33,482 8,066	307,749 120,803	694,054 758,113	1,038,291 1,033,555 912,398 185,391
Total Munitions Industrial Materials and Products	112,837 222,693 420,719	656,586	2,248,059 973,629 1,107,307	3,169,635 1,852,908 9,983,859
Total			4,328,995	

Table 3

Three years later, in the spring of 1944, Britain has become the mightiest military base in the history of the world. From hundreds of airfields American, British, and other allied planes roar out by the thousands day and night to pound the industrial centers of Nazi Germany, to smash at the heart of Nazi air power, Nazi communications, and Nazi defenses, and to drive the German fighters from the skies. At sea the U-boat campaign has been virtually defeated. On the crowded British Isles is assembled a gigantic United Nations striking force of men and equipment, ready to strike at the hour appointed for the invasion of Europe.

Lend-lease aid to Britain since March 11, 1941, has had an important part in this transformation. In three years of lend-lease operations we have shipped to the United Kingdom over seven billion dollars worth of lend-lease supplies. Britain, of course, produces herself by far the greater part of the war equipment that she needs, but these supplies have been a vital supplement to her own resources. Sixty percent of them were shipped in the past year—between March 1, 1943, and March 1, 1944.

Over a billion dollars of the total consists of airplanes, plane engines, and spare parts. Britain's Lancasters and Halifaxes and most of her fighters are produced in her own factories but RAF Mitchell and Douglas A-20 bombers, RAF Thunderbolts and Mustangs and other American-made fighters and bombers flown by allied pilots are daily joining with the USAAF in attacking German invasion defenses in the occupied countries. At sea, additional thousands of lend-lease carrier-based fighter planes and dive bombers and long-range patrol bombers have helped to knock out the U-boat offensive and bring 99 out of every hundred ships in convoys safe to port.

Over a billion dollars' worth of ordnance and ammunition and almost a billion dollars worth of tanks and other military motor vehicles have been shipped to the United Kingdom under lend-lease—three-quarters of them in the past year. Many of the demolition and incendiary bombs that the RAF has rained on German cities were included in lend-lease shipments of ordnance and ammunition.

Much of the fighting equipment that was sent to the United Kingdom in the first two years of lend-lease went on to Egypt and North Africa for the twin drives that began at El Alamein and Algiers and ended with the expulsion of the Axis from Africa. Now lend-lease tanks and trucks and guns by the thousands, the tens of thousands and the hundreds of thousands are strengthening the attacking power of the British and allied forces who will join with our own troops in the coming invasions.

The export figures show not quite \$200,000,000 worth of watercraft sent to the United Kingdom. That is the cost of the landing barges, the PT boats and other fighting craft small enough to be shipped aboard cargo vessels. We have also leased to the British over 30 convoy-escort aircraft carriers and many more destroyer escorts and corvettes, in addition to merchant ships. Ships that are leased and sail away under their own power are not included in the export figures. We have leased to the British most of the 1,400 naval craft so far turned over to the forces of our allies. All warships and merchant ships leased under the Lend-Lease Act are leased for the duration of the war. Title remains with the United States.

With the aid of these reinforcements from our shipyards the British Navy has continued to carry a major share of the burden in the Atlantic and the Mediterranean, with important assistance from our own Navy and from Canadian, as well as from Polish, Norwegian, Dutch, Greek, and French naval units, while the main force of the United States Navy has been directed against the Japanese in the Pacific.

The industrial materials and products shipped to the United Kingdom under lend-lease are also directly connected with the air offensive now under way, with the land offensives to come and with the war at sea.

Britain is a war production arsenal of the United Nations second only to the United States. From the beginning of the war to the first of this year her factories turned out 90,000 planes, 83,000 tanks, armored cars and carriers, and over 1,000,000 trucks, besides vast quantities of other arms. Over three-quarters of all the new planes provided in 1943 to the

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RAF and the Royal Navy were produced in British factories. Toward this great war production record lend-lease industrial materials and products have made a substantial contribution by supplementing Britain's own resources.

We have shipped 5,750,000 tons of steel and over 500,000 tons of other metals. These metals have come out of British factories fabricated into millions of additional tons of guns, shells, planes, tanks, fighting ships, and other weapons that Britain could otherwise not have produced. We have shipped hundreds of thousands of tons of explosives to be made into the bombs that the RAF drops on Berlin. We have also sent machinery and tools and component parts needed for British war production. We have sent hundreds of millions of gallons of petroleum products, including much of the aviation gasoline that powers the 2,000-plane RAF attacks.

Shipments of food and other agricultural products to the United Kingdom have also been of vital importance to British war production and British fighting power. These shipments,

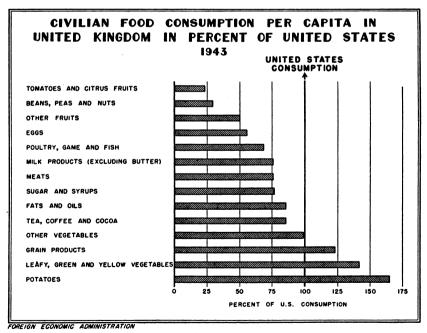


Chart 4

ESTIMATED FOOD SUPPLIES, IN POUNDS PER CAPITA PER YEAR, MOVING INTO CIVILIAN CONSUMPTION

 Item		olies, war		olies, 43 1	change	ntage e, 1943 oared re-war	Per capita supplies in United Kingdom, 1943, as
	United States	United Kingdom	United	United Kingdom	United	United Kingdom	percentage of per capita U.S. supplies
Milk and milk products, excluding butter, total milk solids (fat and nonfat)	Lb. 55.0	Lb. 38.3	Lb. 64.4	Lb. 49.2	Pct. +17	Pct. +28	Pct. 76
Meats, including cured, canned, and edible offal (as carcass weight) Poultry, game, and fish	134.9	136.4	141.3	107.3	+5	—21	76
(edible weight) Eggs (fresh equivalent) Oils and fats (fat content). Sugars and sirups (sugar	26.1 35.6 45.1	24.4 45.6	41.2 44.5	22.9 38.4	+16 -1	-6 -16	56 86
content)	105.3 142.7			65.0 255.8			77 165
lentils) and nuts (weight without shell) Tomatoes and citrus fruits	15.8	9.5	19.3	5.6	+22	-41	29
(fresh fruit equivalent) Other fruits and fruit prod-	88.3	46.8	103.0	23.2	+17	—50	23
ucts (fresh equivalent) Leafy, green, and yellow	151.3		104.1				50
vegetables	85.7 62.3 200.7	48.6	65.4	132.7 64.4 247.4	+5	+34 +33 +17	142 98 123
cocoa)	16.0	13.5	14.3	12.3	-11	-9	86

Source: Report of a special Joint Committee set up by the Combined Food Board published by the U.S. Department of Agriculture.

Note: The figures in the above table are national averages and should not be taken to represent the actual supply received by each individual consumer.

Table 4

¹ Including Victory garden production.

although constituting only about 10 percent of Britain's overall food supply, have provided a much higher proportion of some of the most essential caloric and protective foods needed to maintain the rations of Britain's armed forces and war workers. Coupled with a great increase in Britain's home food production they have made it possible for the war workers and fighting forces of the British Isles to have enough to eat to sustain an intensive war effort that is now in its fifth year.

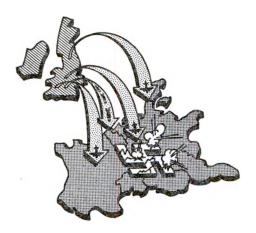
Even with the help of lend-lease foods, however, this result has been attained only by very strict rationing. The British people eat far less well than the people of the United States. Compared to the average American civilian the average Britisher in 1943 was able to obtain only 76% as much milk and milk products, 76% as much meat, 68% as much poultry and fish, 56% as many eggs (and in Britain's case these were almost entirely dried eggs), 23% as much citrus fruit and tomatoes, and 50% as much other fruits and fruit products. The only important foods the British civilian gets more of than the American civilian are potatoes, such vegetables as carrots and cabbage, and bread.

Reverse Lend-Lease Aid

Besides the benefit we receive from the lend-lease aid which we provide to the United Kingdom, because of what British fighting men are able to do toward defeating our common enemies with the supplies we send, United States forces in the United Kingdom have received a very large volume of supplies and services from the British as reverse lend-lease aid, without payment by us.

By the first of this year the dollar value of goods, services, and facilities provided by the United Kingdom to United States Army, Navy and Air Forces and to our Merchant Marine totalled \$1,526,170,000. Almost all of this aid was provided in the British Isles themselves. Not counting construction materials, reverse lend-lease supplies provided on the spot in Britain already amounted to about three million ships' tons by January 1, 1944. These figures do not reflect the value of the vital information on military equipment freely turned over

LEND-LEASE AND REVERSE LEND-LEASE HELP IN THE BOMBING OF EUROPE



WE HAVE FURNISHED TO THE ROYAL AIR FORCE -

Thousand of Fighters and Bombers

Incendiary and Demolition
Bombs

Explosives for Making More Bombs

Aviation Gasoline for Lancasters and Halifaxes

Materials and Tools for Plane Production

Food for Pilots and Aircraft Factory Workers

THE UNITED KINGDOM HAS FURNISHED TO OUR AIR FORCE-

Construction of Airfields, Supply Bases, Housing

Planes, Bombs and Other Supplies

Special Equipment for Long Range Fighters

High Altitude Clothing for Bomber Crews

Repair Shops, Factories and Civilian Labor

-Home Grown Fresh Foods

Chart 5

to us by the British, who had over 2 years of battle experience before we entered the war. No financial valuation can be, or is, of course, placed on this type of aid, either by the British or ourselves.

One-third of all the supplies and equipment currently required for our very great forces in the United Kingdom are provided by the United Kingdom and are provided as reverse lend-lease, without payment by us. The cost of this aid to the United Kingdom, including shipping, averaged about \$90,000,000 a month in the last three months of 1943.

The 8th and 9th United States Air Forces have received reverse lend-lease aid particularly vital to the success of their operations. Following is a list of a few of the many thousands of different types of reverse lend-lease supplies, equipment, and services, as reported by our Air Forces up to the end of 1943, which gives some indication of the extent and variety of this aid:

Bomber and fighter airfields and air bases, advanced airports, combat crew replacement centers, barracks, repair depots, warehouses, and storage facilities, etc., which cost the British \$355,000,000 through the end of 1943 to build and equip for us. Ten thousand civilian employees with an annual pay roll of \$12,000,000 have been employed on the construction program for United States forces, principally on airfields and air bases.

452,000 tons of equipment and supplies have been furnished. Some of the items of aid:

1100 Spitfires and other planes.

1,357,000 sq. ft. of steel and light alloy sheets for repair and adaptation needs in our plane depots.

235,000 synthetic rubber shock absorbers.

32,000 bombs of various sizes.

7,000 sets of armor plate for heavy bombers.

5,000 collapsible rubber dinghies with devices for the release of parachutes at the time of hitting water.

10,600 aircraft tires.

35,000 108-gallon belly tanks for fighter aircraft.

- 9,600 pieces of protective body armor.
- 9,300 bullet proof glass panels for aircraft.
- 43,000 easily jettisoned lightweight gas tanks for long-range fighters. It is planned to produce these at the rate of 22,000 per month with 4,000 persons employed on this task.
- 43,000 electrically heated muffs for gunners.
- 2,000 parachutes.
- 1,750,000 pairs of socks.
- 1,500,000 pairs of knitted woolen gloves and substantial quantities of other types of clothing.
- 44,500,000 yards of Sommerfeld track.
- 60,000 aircraft, warship, and armed vehicle recognition devices.
- All requirements for aircraft engine spark plugs.
- 12 factories working solely on production of transformers for U. S. Air Forces.
- 50 mobile repair shops for the repair of American bombers forced to make crash landings in the United Kingdom.
- 625 British-type fighter gun sights.
- Special photographic equipment, for one out of each three aircraft in bomber squadrons, to take pictures of the target during the bomb run.

Large quantities of specially heated winter flying clothing. Various types of specialized radio equipment.

Chapter 3

THE SOVIET UNION

During the past winter the armies of the Soviet Union have driven the Nazis from almost all of the Ukraine and the Crimea, from the Leningrad and Kalinin regions, and from large areas of White Russia. They have advanced into Rumania and Czechoslovakia. Odessa and Sevastopol have fallen. These magnificent winter and spring drives have climaxed over a year of almost continuous offensive action since the fall of Stalingrad—action in which over three-quarters of the invaded soil of the Soviet Union has been liberated and Hitler's armies have suffered millions of casualties and vast losses in vital war equipment. Now the Soviet Union is preparing new blows to be struck from the east while the forces of the United States, Great Britain, and the other allies strike new blows from other directions.

The fighting on the eastern front and the fighting on the west have been and will continue to be closely interrelated. We are all fighting the same enemy—Nazi Germany. What the Soviet Army has done to Hitler's war machine on the eastern front—what the combined American, British, and allied forces have done in the Mediterranean campaigns and in the tremendous air offensive against Germany—these actions have supplemented each other. Together they have greatly reduced the power that Hitler can summon for the Nazis' final defensive stand. Together the coming combined blows of the Soviet, British, American, and other United Nations fighting forces will destroy the Nazis and completely break the war-making power of Germany.

LEND-LEASE EXPORTS TO U. S. S. R.

Thousands of Dollars

	Mar. 1941– Feb. 1942	Mar. 1942– Feb. 1943	Mar. 1943– Feb. 1944	Total
Ordnance and Ammunition	5,092 26,223 20,335	347,342	488,428	861,993 918,133
Total Munitions Industrial Materials and Prod-	51,650	982,468	1,498,037	2,532,155
ucts Agricultural Products	15,374 3,241	387,763 263,917		1,341,449 865,795
Total	70,265	1,634,148	3,034,986	4,739,399

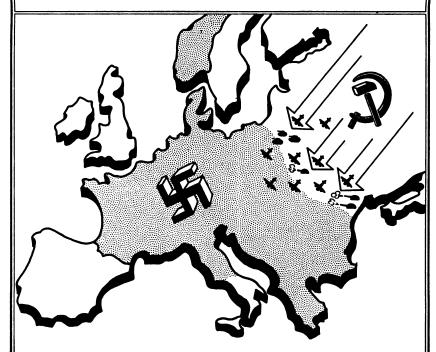
Table 5

The Soviet Union has supplied its armies for their part in these combined operations principally from its own factories. But in the fighting on the eastern front there have also been large quantities of American equipment that in Russian hands has done heavy damage to the German war machine and brought its final defeat much closer. Great Britain and Canada, too, have sent large quantities of supplies for the Soviet war effort.

The United States has sent to the Soviet Union since the beginning of the lend-lease program almost four and three-quarter billion dollars worth of war supplies. Two-thirds of that amount was shipped in the twelve months between March 1, 1943, and March 1, 1944.

Up to March 1, 1944, we sent to Russia 8,800 planes, more than we had sent under lend-lease to any other military theatre. These included light and medium bombers, pursuit planes, and transport planes. In the first sixty days of 1944 alone we sent more than 1,000 combat planes. The Soviet Air Force has shown a preference for Airacobra P-39 fighters, Douglas A-20 attack bombers, and B-25 Mitchell mediums and

LEND-LEASE ON THE EASTERN FRONT



WE HAVE SENT TO THE U.S.S.R., TO MARCH I, 1944:

8,800 planes 4,500 tanks 190,000 trucks 66,000 other vehicles 200,000 tons of explosives 7,000,000 pairs of army boots 840,000 tons of petroleum products 1,450,000 tons of steel

WITH THE HELP OF LEND-LEASE WEAPONS AND MATERIALS THE SOVIET ARMY HAS:

Eliminated millions in the Nazi armies including 500,000 in the last two months alone.

Destroyed in one year 14,000 Nazi aircraft, 25,000 tanks and 40,000 guns.

Driven Hitler's armies back 800 miles toward the German borders.

FOREIGN ECONOMIC ADMINISTRATION

Chart 6

many Russian fliers have made outstanding combat records flying these planes against the Nazis. The Russians are now also getting Thunderbolt P-47's.

More than 4,000 of the planes sent to Russia have been flown all the way from factories in the United States to the battle fronts.

Mobile equipment sent to the Soviet Union from the United States includes over 190,000 military trucks, 36,000 jeeps, 5,200 tanks and tank destroyers, and 30,000 other military motor vehicles, including several thousand artillery prime movers of the fast tractor type, ordnance service trucks, huge tank transporters, and motorcycles. General Sherman tanks manned by Soviet crews have been in the thick of the fighting alongside tanks produced in Soviet factories as the Red Army liberated the Ukraine and the Crimea and recaptured Odessa. American trucks have been essential to maintaining the rapidly lengthening supply lines of the Soviet forces in the face of deep spring mud and the destruction of railroads and bridges by the retreating Germans.

To assist in rebuilding and expanding railroads leading to the advancing front, the United States has sent under lend-lease over 350,000 tons of railroad rails, locomotive and car wheels and axles. A program for supplying completed locomotives and freight cars was also undertaken late in the fall of 1943. Over 200 locomotives and 1,000 flat-cars have already been shipped. Many more will be sent. As the Soviet Army advances farther and farther toward the German border, the magnitude of the transportation and supply job to the front lines will increase. American equipment will continue to help maintain that mobility of the Soviet forces that has already been so unpleasant a surprise to the German high command.

Another important United States contribution to the Red Army's communications has consisted of 275,000 field telephones and 850,000 miles of field telephone wire.

Substantial as shipments of American fighting equipment to the U. S. S. R. have been, by far the greater part of the equipment used by the Red Army has been produced in Soviet factories. Shipments of industrial materials and products from the United States, however, have been of important assistance to the Soviet's own production. We have sent, for example, 1,450,000 tons of steel, 420,000 tons of aluminum, copper, nickel, zinc, brass and other non-ferrous metals, 200,000 tons of explosives and almost \$200,000,000 of machine tools.

In addition to almost 7,000,000 pairs of Red Army boots, we have sent 35,000 tons of leather for production in Soviet factories of additional army boots, together with almost 30,000,000 yards of woolen cloth, and 60,000,000 yards of cotton cloth for Soviet Army uniforms.

Lend-lease shipments of food to maintain Soviet Army rations totalled 2,600,000 tons to March 1, 1944. Food shipments have included wheat, flour, and other cereal products; dried peas and beans; canned, cured and dehydrated meats, principally pork; lard, pork fat and vegetable oils, powdered milk, dried eggs, and dehydrated vegetables.

The liberation of the Ukraine has not yet, of course, relieved the serious food shortages suffered by the people of the Soviet Union for almost three years. Very severe rationing continues and it will be many months—years perhaps—before agricultural production in the devastated and pillaged Ukraine is fully restored. Lend-lease food shipments, which have provided the thin margin necessary to maintain the Soviet Army rations, will be as important as ever in the months of decisive battles that lie ahead. In the meantime, to help increase Russia's production of her own foods as fast as possible, particularly in the Ukraine, we have also shipped almost 13,000 tons of seeds. Of these, 3,700 tons were shipped in the first two months of 1944 alone.

Because the Soviet Union has not had sufficient refining capacity to meet the tremendous demands of this war for petroleum products, we have sent 840,000 tons of aviation gasoline, high-grade lubricating oils and other similar petroleum products needed by the Red Air Force and the Red Army. We have also shipped almost \$50,000,000 worth of petroleum refinery equipment to the Soviet Union. This is now being

installed in the U. S. S. R. under the direction of American engineers. In the meantime Soviet engineers, technicians and operators have come to this country to study American refinery methods so that they can operate the plants in Russia after they have been erected. When this project is completed the Soviet will be able to meet a greatly increased share of its war requirements for aviation gasoline and other products from its own sources of crude petroleum.

Aid From Britain

The British, also, have provided the Soviet Union with very substantial aid. They have sent 5,031 tanks, of which 3,803 were produced in British factories and 1,223 were Canadian built. They have sent over 4,100 planes produced in Britain; over 150,000,000 rounds of ammunition for anti-tank and other guns; 2,487 Bren guns and other ordnance and munitions items.

In addition to military equipment, the British have sent large quantities of raw materials and machine tools for Soviet war production. These shipments have included over 300,000 tons of aluminum, copper, rubber, jute, sisal, tin, wool and graphite from British Commonwealth and Colonial Empire sources, together with over \$80,000,000 worth of machine tools and other manufacturing equipment.

Chapter 4

THE PACIFIC AND FAR EAST THEATRES

Almost two billion dollars worth of lend-lease war supplies have been shipped to the Pacific and Far East theatres for the war against Japan. Approximately three-fifths of these supplies have consisted of fighting equipment for the Australian, New Zealand, Chinese, Dutch, British, and Indian army, air, and naval forces fighting beside the United States forces. Almost all of the remaining shipments have consisted of industrial materials and products for the production of fighting equipment, food, and strategic raw materials in Australia, New Zealand, and India.

The rising offensive power of United Nations forces in these theatres—as elsewhere—has been accompanied by a rising flow of lend-lease supplies. Shipments in the 12 months ending March 1, 1944, were more than 60 percent greater than in the preceding year. They have included thousands of planes, thousands of tanks, and tens of thousands of trucks and other military motor vehicles.

India and China

While the United States Navy is striking through the central Pacific in the direction of Japan from the west and combined United States-Australian-New Zealand-Dutch forces are moving up from the south in the direction of the Philippines, other combined Chinese-Indian-British-United States forces have been attacking from the east.

India is the base for operations against the Japanese in Burma. These allied operations are aimed at reopening a land route to China. Lend-lease equipment has had an important role in the Burma campaign this year. The Chinese 22nd and 38th Divisions, which include a Chinese tank corps, have made up a major part of the forces under General Stilwell that have advanced down the Hukaung and Mogaung valleys in upper Burma, killed thousands of Japanese, retaken 7,500 square

miles, and are now over half-way to the Chinese frontier. These divisions were trained and equipped in India under lend-lease. Fighting in cooperation with American veterans of Guadalcanal, they have been using American tanks, guns, and trucks with notable success. As they advance toward the borders of China, American Army engineers are building the Ledo Road behind them. To the south, air-borne British jungle veterans have been cutting Japanese communications lines, while other British and Indian troops have fought back

LEND-LEASE EXPORTS TO INDIA AND CHINA Thousands of Dollars

	Mar. 1941– Feb. 1942	Mar. 1942– Feb. 1943	Mar. 1943— Feb. 1944	Total
Ordnance and Ammunition	16,163 9,068 26,294 106	56,160 108,922	126,475 127,280	226,263 191,703 262,496 25,062
Total Munitions Industrial Materials and Prod-	51,631	285,118	368,775	705,524
ucts	1	86,476 24,068		305,408 53,264
Total	65,667	395,662	602,867	1,064,196

Table 6

a Japanese counter-thrust in the Kohima-Imphal area. These forces are also making use of lend-lease arms, in addition to equipment produced in India and Britain.

In the air over Burma the RAF and Indian Air Force are using American as well as British planes in combined operations with the USAAF. In the Bay of Bengal powerful task forces built up in recent months have already struck at Sabang in Japanese-occupied Dutch Sumatra. Most of the warships in this fleet are British, but most of the planes that took off from aircraft carriers in that operation were American. They included lend-lease Grumman Hellcats and Corsairs.

From the northeastern Indian Province of Assam runs the air line which has been our only direct connection with China since the Burma Road was cut two years ago. It was established in April 1942. Although this air line crosses wild jungle country with mountains rising to 15,000 feet and has been subject to attack by Japanese fighter planes, it has now, after many months of intensive effort, become probably as busy as any air-supply line in the world. Day in and day out great numbers of transport planes make the trip. How many planes are flying this route cannot be revealed, but it can be said that the monthly tonnage of supplies carried into China each month "over the hump" is now fifteen times what it was a year ago and our shipments are increasing from month to month.

These planes carry into China all the aviation gasoline and bombs, and many of the other supplies needed for General Chennault's 14th U.S. Air Force and the Chinese Air Force squadrons inside China that have been equipped with lendlease planes and are manned by Chinese flyers trained under lend-lease in the United States and India. The transport planes also carry in lend-lease equipment for the Chinese Army and for the Chinese arsenals. Although new air supply records have been established on the route "over the hump," the total tonnage that can be carried by air transport anywhere is, of course, small compared to the quantities that can be shipped by land or sea. Therefore, the great majority of lend-lease shipments to the India-China theater have, of necessity, so far gone only as far as India and Burma. Eventually direct communications with China will be reestablished. not only on land, but by sea as well. When that time comes as it certainly will—we shall be able to pour lend-lease supplies into China in the volume needed to enable the Chinese forces. combined with the other Allied forces, to achieve the final and complete defeat of Japan.

The industrial materials and products shipped to India under lend-lease have had four principal purposes—all directly connected with the fighting now under way and with the greater operations to come: first, equipment to increase the capacity of Indian docks, railroads, and highways so that they can be adequate to military transport and supply needs; second, equipment to build airfields and military roads at strategic locations; third, machinery, tools, and materials for the production of military equipment in India's important munitions industry; fourth, supplies needed to increase India's production of such strategic materials as mica, jute, and shellac which are essential to war production in the United States.

Reverse Lend-Lease

The volume of reverse lend-lease aid provided to United States forces in India has gone up by leaps and bounds. In January and February of this year alone American troops received over \$35,000,000 worth of supplies. This was as much in two months as we had received in the entire year of 1942 and half as much as we had received in the entire year of 1943.

Reverse lend-lease aid furnished to the United States in India up to March 1, 1944, totalled almost \$150,000,000. This came to us without payment on our part and saved many thousands of tons of shipping space. Petroleum products, including aviation gasoline from the British refinery at Abadan for the United States Air Forces in India, make up a large part of the total.

Other supplies received in the two months of January and February 1944 alone, included:

6,800,000 pounds of vegetables, 170,000 pairs of socks, 300,000 yards of cloth, 175,000 pairs of trousers, 700,000 gallons of Diesel oil, 200,000 sets of underwear, 4,000,000 pounds of meat and fish, 2,000,000 pounds of fruit, 1,000,000 pounds of beverages, 500,000 pounds of bread, 700,000 dozens of eggs.

Australia and New Zealand

Australia, with a total population of 7,172,000, has had almost 860,000 enlistments in her armed services since the beginning of the war. A comparable percentage for the United States would have put 16,000,000 men into our armed services. The Royal Australian Air Force alone numbers more than 75,000 men. New Zealand, in proportion to her population, has made similarly striking contributions to the United Nations fighting forces.

Some of the Australian and New Zealand forces are still engaged in the European theater. Many more have joined with the American forces in the Southwest and South Pacific theatres under over-all United States command against the Japanese. While American ground forces have predominated in the Solomons campaign, New Zealand troops are also participating and Australian divisions have carried on a very large share of the tough jungle fighting in New Guinea. The Australian and New Zealand air forces and their navies,

LEND-LEASE EXPORTS TO AUSTRALIA AND NEW ZEALAND

Thousands of Dollars

	Mar. 1941- Feb. 1942	Mar. 1942– Feb. 1943	Mar. 1943– Feb. 1944	Total
Ordnance and Ammunition Aircraft and Parts Tanks and Motor Vehicles Watercraft	2,086 10,488 1,357	72,667 55,597 80,001 1,674	45,347 125,489 116,512 3,420	120,100 191,574 197,870 5,094
Total Munitions Industrial Materials and	13,931	209,939	290,768	514,638
Products	10,267 3,119	109,683 8,774	198,763 16,295	318,713 28,188
Total	27,317	328,396	505,826	861,539

which include numbers of cruisers and destroyers, have effectively reinforced the predominantly American air and naval forces in the operations in this theatre. Netherlands units equipped under lend-lease, are also fighting both in the air and on the ground, in the campaign that is now moving northward toward the Philippines. Some of these Dutch fighting men, who escaped from the Japanese-occupied Indies, are participating in the action at Hollandia, the first piece of Netherlands East Indies territory recovered from the Japanese.

To supplement the equipment for these combined forces furnished from British and Australian war production, the United States has shipped them under lend-lease almost \$200,000,000 worth of aircraft and another \$200,000,000 worth of tanks and other military motor vehicles. Shipments of ordnance and ammunition have also bulked large.

Raw materials, machine tools and component parts shipped under lend-lease from the United States have had an important role in the greatly increased production of military equipment for use against the Japanese that has been achieved by Australian factories since 1941. Despite manpower shortages, Australia and New Zealand have also been able, with the help of lend-lease shipments of seed, fertilizer, farm equipment, tin plate, and canning equipment, to increase substantially the production and processing of food for American forces in the Pacific.

Reverse Lend-Lease

Australia and New Zealand are providing food at the rate of a billion pounds a year to United States Forces. In the Southwest Pacific almost all the food for our troops is provided as reverse lend-lease. Our forces in the South Pacific receive large quantities as well.

The 1944 reverse lend-lease program in Australia and New Zealand calls for between \$200,000,000 and \$250,000,000 worth of food alone, including several hundred million pounds of meat. Up to the first of this year we had already received such quantities as:

Almost 250,000,000 pounds of beef and other meats, Almost 34,000,000 dozen eggs,

Over 175,000,000 pounds of fresh fruits and vegetables,

Over 27,000,000 pounds of butter,

Over 55,000,000 pounds of sugar,

Over 100,000,000 pounds of canned vegetables and other canned goods.

Reverse lend-lease from Australia and New Zealand is by no means limited to food, however. By January 1, 1944, the supplies, facilities, and services our forces had received as reverse lend-lease had cost these countries over \$450,000,000 and the rate of reverse lend-lease aid was rising. Besides the bases, barracks, airfields, hospitals, and other facilities built for our forces, the fighting equipment, the spare parts, and repair services that have been furnished, Australian and New Zealand factories are producing many hundreds of thousands of uniforms and we expect to receive a million pairs of Army boots alone in 1944.

Of special importance to our combined offensive operations this year in the direction of the Philippines is the construction in Australian and New Zealand shippards of large numbers of landing craft, barges, and other small boats for American forces in amphibious island operations. Australia is now engaged in building \$40,000,000 worth of these craft, besides turning over fleets of trawlers, launches and small coastal steamers previously built. By the first of this year New Zealand had already spent \$6,500,000 on its part of the ship construction program.

Chapter 5

OTHER AREAS

Africa, Middle East, and Mediterranean

Seventy-five percent of all lend-lease shipments for the war in the Mediterranean-African-Middle East theatre has consisted of fighting equipment—planes, guns, tanks, military trucks, landing boats, and other munitions items. This equipment has been used by the British and allied fighting men who have continued to make up the majority of all the United Nations forces engaged in this theatre and are now fighting

LEND-LEASE EXPORTS TO AFRICA, MIDDLE EAST, AND MEDITERRANEAN AREA

Thousands of Dollars

	Mar. 1941– Feb. 1942	Mar. 1942– Feb. 1943	Mar. 1943– Feb. 1944	Total
Ordnance and Ammunition Aircraft and Parts Tanks and Motor Vehicles Watercraft	41,009 3,880 62,807 4,549	139,472 175,074	304,764	448,116
Total Munitions Industrial Materials and Products	112,245 29,313 4,947	206,104	274,253	
Total	146,505	781,268	1,557,444	2,485,217

Table 8

shoulder to shoulder with American forces in Italy—the British, French, New Zealanders, Australians, Greeks, Jugoslavs, Poles, Indians, and others.

General Sherman tanks paced Montgomery's men in the break-through at El Alamein and American trucks helped keep the 8th Army rolling 1,500 miles across Lybia, Cyrenaica, and Tripolitania to Tunisia. There the 8th Army joined with other British forces, the American forces, and the French in driving the Germans from Africa, in the conquest of Sicily and the invasion of Italy.

With North Africa as a base, powerful French army, navy, and air forces have been re-created and provided with American equipment under lend-lease. The French are fighting and flying beside our men in Italy; they have retaken and garrisoned Corsica, which is close to northern Italy and southern France; their warships, reconditioned and equipped in American shipyards, are hitting at the Nazis in the Mediterranean and the Adriatic. Many additional French troops are preparing to join in the greater operations to come for the liberation of their homeland. Over \$300,000,000 worth of equipment and supplies have been consigned to the American commanding general in the field for lend-lease transfer to the French forces, in addition to lend-lease shipments made direct from the United States.

Civilian supplies shipped to French Africa under lend-lease are paid for at full landed cost. With the help of these shipments production of food and other materials needed for the United Nations war effort is being increased. We have sent to Tunisia and Morocco, for example, equipment to increase production at the phosphate mines. The fertilizer produced by these mines is needed both for the United Kingdom's intensive food-production program and for the restoration of food production in the liberated areas of occupied Europe. Seeds, insecticides, farm tools, parts for agricultural machinery, binder twine and other supplies have been sent to increase the production in North Africa of food needed by our forces. Railroad equipment has been sent to West Africa and Equatorial Africa so that greater quantities of peanut and palm oils, cocoa, mahogany, tin, copper, jute and other strategic materials and commodities needed by the United Nations can be brought out from the interior to the coast.

Lend-lease shipments to the Middle East have consisted almost entirely of munitions and of equipment and supplies essential to military transport and communications. Small quantities of supplies needed for local production of food and war materials have also been sent to this area. The great majority of civilian supplies sent to the countries of the Middle East from the United States have gone through cash purchase channels.

Reverse Lend-Lease

Substantial amounts of foodstuffs, especially cereals and fresh vegetables, have been furnished by the French to our armed forces in the Mediterranean area under reverse lend-lease, in addition to other supplies and services. This aid to the United States already totalled about \$30,000,000 by the first of this year.

Lend-lease and reverse lend-lease aid in French North and West Africa are furnished under an agreement between the United States and the French Committee of National Liberation. Under this agreement we furnish military aid on a straight lend-lease basis and we receive cash payment for essential civilian supplies. In addition, the French under reverse lend-lease make available to us munitions, food, and other war supplies.

South and Central American Countries

Lend-lease shipments to the other American Republics have consisted entirely of airplanes, tanks, guns, and other munitions, together with some naval patrol craft and a small amount of materials and equipment for use in arsenals and shipyards producing military equipment. These shipments are sent under the direction of the Joint Chiefs of Staff as part of the hemisphere defense program. No civilian supplies of any kind have been supplied to any other American Republic under lend-lease. No lend-lease aid has been provided to Argentina and the defense requirements of Panama are met by our own Panama Canal defenses.

Up to March 1, 1944, actual lend-lease shipments to the other American Republics had a total value of less than

LEND-LEASE EXPORTS TO LATIN AMERICA*

Thousands of Dollars

	Mar. 19 Feb. 19	941- 942	Mar. 1942– Feb. 1943	Mar. 1943– Feb. 1944	Total
Ordnance and Ammunition Aircraft and Parts	5	57 26	6,465 26,691 15,973 146	16,795 26,676 21,083 612	23,260 53,924 37,082 758
Total Munitions Industrial Materials and	5	83	49,275	65,166	115,024
Products		70 	3,487 15	17,216 46	20,773 61
Total	6	53	52,777	82,428	135,858

^{*}The 20 other American Republics.

Table 9

\$136,000,000, while lend-lease transfers in the same period totaled \$169,000,000. This was less than 1 percent of lend-lease exports to all areas. Two-thirds of these military supplies went to Brazil. In 1943 lend-lease exports to Latin America amounted to less than 12 percent of all United States exports to this area. Over 88 percent of our exports to Latin America were paid for in cash and went almost entirely through commercial channels. The dollar volume of United States commercial exports to Latin America in 1943 was, in fact, almost 50 percent higher than the average of our exports in the pre-war years 1936–1938.

Thirteen of the American Republics receiving lend-lease aid have either declared war on the Axis or have announced a state of belligerency and are members of the United Nations. The others have broken diplomatic relations with the Axis. These nations have given us military, economic warfare, and political aid through joint anti-submarine patrols on sea and in the air, permission to establish United States military, naval, and air bases and to fly United States planes over their

territory, the severance of trade with the Axis, and active cooperation in the suppression of Axis subversive activities.

The American Republics have also cooperated with us in developing the production of raw materials absolutely essential to the war industry of the United States. We are receiving from Latin America a billion dollars worth a year of such strategic commodities as copper, lead, tungsten, tin, quinine, rubber, quartz crystals, mercury, rope fibers, vegetable fats and oils, and many others. Without the alloys supplied to us by the other American republics we would have been greatly handicapped in our production of alloy steel needed for our munitions production. Without the 99 percent of our quartz crystals that come from South America we could not have produced the radio-location and other communications equipment so vital to all our air and naval operations.

Other Shipments

Lend-lease exports totalling \$603,013,000 are listed as going to other countries. These consist principally of supplies and equipment exported to Canada. These exports include military equipment and its components for re-export from Canada to the United Kingdom or other United Nations either directly or after further fabrication in Canadian factories. Such goods are transferred by the United States under lend-lease, not to Canada, but to the countries of ultimate destination. Other lend-lease exports to Canada have included trainer planes and small quantities of other supplies for the use of Norwegian, Polish, and other United Nations units in training on Canadian soil. The balance of lend-lease exports to Canada consists of supplies Canada has purchased for cash in this country for her own war effort, using the lend-lease procurement machinery.

Canada has her own mutual aid program under which she is supplying, without payment, to the United Kingdom, the Soviet Union, Australia, New Zealand, and other United Nations, \$2,000,000,000 of additional war supplies produced in her own factories and shipyards.

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Chapter 6

STATISTICAL TABLES AND CHARTS

AMOUNTS OF LEND-LEASE AID AUTHORIZED

The amount of lend-lease aid that may be provided under the various acts is summarized as follows:

I. Lend-Lease Appropriations to the President

First Lend-Lease Appropriation Second Lend-Lease Appropriation Third Lend-Lease Appropriation (Fifth Supp. 1942) Fourth Lend-Lease Appropriation	5,985,000,000 5,425,000,000
Total	24,683,629,000

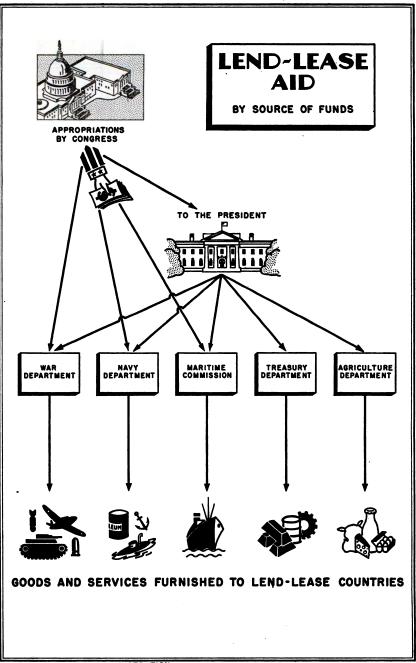
II. Transfers Authorized From Other Appropriations

Direct appropriations have been made to the War and Navy Departments and to the Maritime Commission for the procurement of items which are in the main common to the uses of our own armed forces and those of our allies. These items when produced can be used, in other words, by our armed forces or those of our allies in the manner in which they can be most effective in defeating our common enemies. It is not until they are ready for distribution that they are allocated by the military experts in accordance with the strategic needs. The Appropriation Acts in question authorize transfers to our allies up to stated amounts under the Lend-Lease Act. That does not mean that transfers up to the stated amounts will necessarily be made. All that it means is that there is sufficient flexibility for the military authorities to assign the supplies where they will do the most good in winning the war.

War Department:

Third Supplemental, 1942	\$2,000,000,000
Fourth Supplemental, 1942	4,000,000,000
Fifth Supplemental, 1942	11,250,000,000
Sixth Supplemental, 1942	
Military Appropriation Act, 1943	
Navy Department: Second Supplemental, 1943	3,000,000,000
Departments other than War: Third Supplemental, 1942	800,000,000

In addition to the foregoing, Congress has with certain limitations authorized the leasing of ships of the Navy and merchant ships constructed with funds appropriated to the Maritime Commission without any numerical limitation as to the dollar value or the number of such ships which may be so leased. (See for example, Public Law 1, 78th Cong., approved February 19, 1943, and Public Law 11, 78th Cong., approved March 18, 1943.)



FOREIGN ECONOMIC ADMINISTRATION

Chart 7

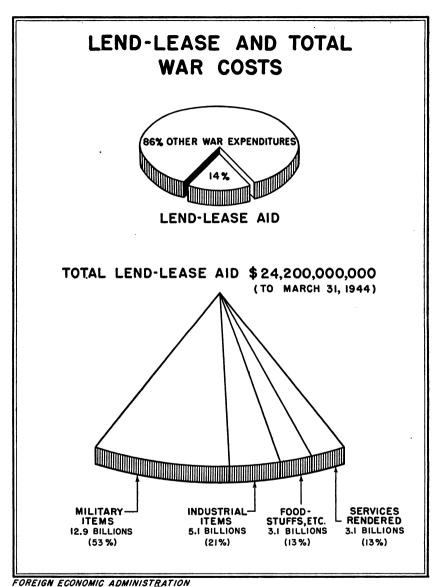


Chart 8

BREAK-DOWN OF LEND-LEASE AID

	Mar. 1941– Mar. 1942	Apr. 1942– Mar. 1943	Apr. 1943– Mar. 1944	Total
Munitions (Including Ships) Industrial Materials and Products Agricultural Products Services	Percent 27.8 22.1 22.4 27.7	Percent 50.8 21.8 12.8 14.6	Percent 59.4 20.5 11.3 8.8	Percent 53.4 21.1 12.9 12.6
Total	100.0	100.0	100.0	100.0

Table 12

GOODS CONSIGNED TO U. S. COMMANDING GENERALS, IN THE FIELD, FOR SUBSEQUENT TRANSFER UNDER LEND-LEASE TO FOREIGN GOVERNMENTS AS OF FEBRUARY 29, 1944

Category	Amount
Ordnance	\$214,855,000 28,080,000 229,782,000 102,449,000
Total	575,166,000

Virtually all of these supplies have been consigned for the Chinese forces in India, Burma, and China, and for the French forces in the Mediterranean theater.

LEND-LEASE AID Millions of Dollars

		Monthly			Cumulative	•
	Goods	Services	Total	Goods	Services	Total
Jan. 1941						
Feb						
Mar	6 20	8	10 28	6	12	10
Apr	35	10	45	26 61	22	38 83
May	41	22	63	102	44	146
Jul	73	28	101	175	72	247
Aug	95	31	126	270	103	373
Sep	144	37	181	414	140	554
Oct	132	50	182	546	190	736
<u>N</u> ov	164	70	234	710	260	970
Dec	200	74	274	910	334	1,244
Jan. 1942	220	102	322	1,130	436	1,566
Feb	260	128	388	1,390	564	1,954
Mar	362	106	468	1,752	670	2,422
Apr	455	99	554	2,207	769	2,976
May	394	55	449	2,601	824	3,425
Jun	459	89	548	3,060	913	3,973
Jul:	504	91	595	3,564	1,004	4,568
Aug	446 544	114 99	560 643	4,010 4,554	1,118 1,217	5,128 5,771
Sep	680	235	915	5,234	1,452	6,686
Nov	620	190	810	5,854	1,642	7,496
Dec	694	63	757	6,548	1,705	8,253
Jan. 1943	627	55	682	7,175	1,760	8,935
Feb	656	41	697	7,831	1,801	9,632
Mar	663	24	687	8,494	1,825	10,319
Apr	720	63	783	9,214	1,888	11,102
May	716	74	790	9,930	1,962	11,892
. Jun	954	77	1,031	10,884	2,039	12,923
Jul	1,018	32	1,050	11,902	2,071	13,973
Aug	1,114	148 76	1,262	13,016	2,219	15,235
Sep	1,121 1,028	73	1,197 1,101	14,137 15,165	2,294 2,368	16,431 17,533
Nov	971	105	1,076	16,136	2,308	18,609
Dec	1,300	77	1,377	17,436	2,550	19,986
Jan. 1944	1,214	45	1,259	18,650	2,595	21,245
Feb	1,124	226	1,350	19,774	2,821	22,595
Mar	1,406	224	1,630	21,180	3,045	24,225

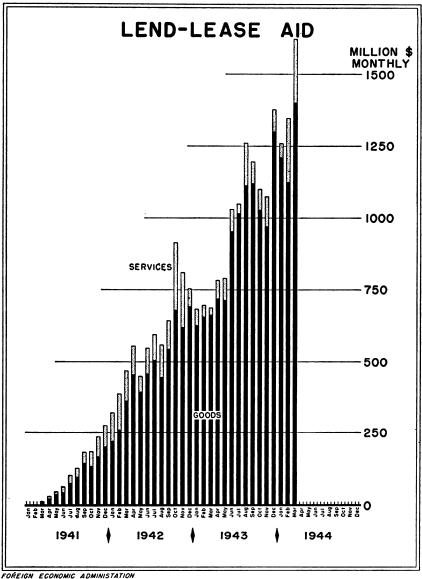


Chart 9

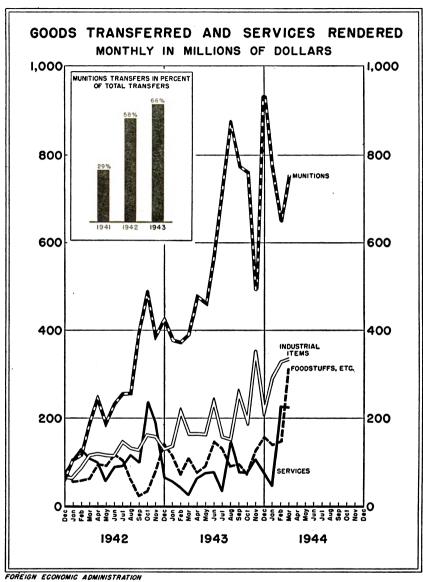


Chart 10

LEND-LEASE EXPORTS

March 1941 through February 29, 1944 Millions of Dollars

	United Kingdom	U. S. S. R.	Africa, Middle East, and Medi- terranean Area	China, India, Australia, and New Zealand	Other Countries	Total
MUNITIONS						
Ordnance	328 710 1,034 587 325 185	394 862 280 638	315 448 452 335	202 383 154	84 79	1,557 1,683
Total	3,169	2,532	1,826	1,220	627	9,374
INDUSTRIAL MATERIALS AND PRODUCTS						
Machinery	387 602 518 346	485 34	111 153 65 181	156 198 124 147	27 19 2 37	743
Total	1,853	1,341	510	625	85	4,414
AGRICULTURAL PRODUCTS						
FoodstuffsOther Agricultural Products	1,825 459	782 84	142 7	52 29	24 4	2,825 583
Total	2,284	866	149	81	28	3,408
TOTAL EXPORTS	7,306	4,739	2,485	1,926	740	17,196

LEND-LEASE EXPORTS TO ALL COUNTRIES

Thousands of Dollars

	Mar. 1941– Feb. 1942	Mar. 1942– Feb. 1943	Mar. 1943- Feb. 1944	` Total
United Kingdom	756,249 70,265	2,221,151 1,634,148	4,328,995 3,034,986	7,306,395 4,739,399
Mediterranean Area. China, India, Australia	146,505	781,268	1,557,444	2,485,217
and New Zealand Latin America Other Countries		724,058 52,777 175,079	1,108,693 82,428 384,058	1,925,735 135,858 603,013
Total	1,110,532	5,588,481	10,496,604	17,195,617

Percentage Distribution

	Mar. 1941– Feb. 1942	Mar. 1942– Feb. 1943	Mar. 1943– Feb. 1944	Total
United Kingdom	68.1 <i>%</i> 6.3	39.7% 29.2	41.2% 28.9	42.5% 27.6
Mediterranean Area.	13.2	14.0	14.8	14.4
China, India, Australia, New Zealand Latin America Other countries	8.4 0.1 3.9	13.0 0.9 3.2	10.6 0.8 3.7	11.2 0.8 3.5
Total	100.0	100.0	100.0	100.0

Table 15

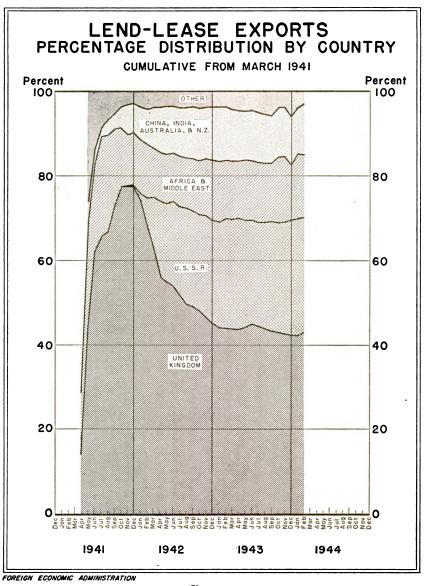


Chart 11

LEND-LEASE EXPORTS-MONTHLY

Millions of Dollars

	United Kingdom	U. S. S. R.	Africa, Middle East, and Mediter- ranean Area	China, India, Australia, and New Zeland	Other Countries	Total
Mar. 1941 Apr May Jun Jul Aug Sep Oct Nov Dec	1 9 26 49 46 74 142 107	1	5 6 19 14 7 12 10 23	1 1 1 5 2 12 18 12	141232312	1 5 16 35 72 67 86 167 137
Jan. 1942 Feb	105 79 149 144 144 210 175 152 214 222 204	15 55 97 164 70 110 103 150 102 128 191 167	24 26 25 45 37 35 66 58 71 98 95	18 22 47 55 47 36 59 56 67 82 55	13 12 11 17 8 14 21 18 32 16 25	175 194 329 425 306 405 424 434 472 562 561 608
Jan. 1943 Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec	178 222 310 353 400 424 401 370 398 364 272 353	167 185 211 210 177 139 232 324 303 263 344 345	93 44 132 117 152 100 221 165 190 165 120 77	75 49 67 68 83 101 147 113 81 128 88 96	22 28 57 27 36 26 32 27 33 32 33	535 528 777 775 848 790 1,033 999 1,005 952 857
Jan. 1944 Feb TOTAL EXPORTS.	311 372 7,306	285 201 4,739	58 63 2,485	75 62 1,926	59 69 740	788 767 17,196

LEND-LEASE FOOD SHIPMENTS IN RELATION TO SUPPLY AND TO U. S. CIVILIAN POPULATION

	Exports i	n Percent upply	per Wo	n Ounces eek per I States ilian
	Year 1943	1st Quarter 1944	Year 1943	1st Quarter 1944
All Meats (Dressed Weight Basis). Beef and Veal Lamb and Mutton Pork	9.5	8.2	5.6	5.5
	1.3	1.3	0.3	0.4
	11.1	17.1	0.3	0.4
	15.4	7.1	5.0	4.7
Equiv.)	3.8	2.8	11.3	8.3
	13.7	9.5	0.04	0.04
	41.9	6. 1	0.6	0.1
Milk	12.8	6.0	1.3	0.7
	3.8	1.3	0.2	0.07
	14.3	16.6	0.4	0.5
	12.4	11.1	2.4	2.2
	16.3	9.2	2.7	1.6
	26.8	4.9	0.6	0.1
Canned Fruits and Juices Dried Fruits Vegetables:	6.9	5.8	0.8	0.7
	20.3	17.9	0.7	0.6
Canned Vegetables Dried Beans Dried Peas Corn and Corn Products (Grain	1.5	2.2	0.3	0.4
	11.4	8.9	0.8	0.7
	9.9	17.4	0.3	0.5
Equiv.)	0.1	0.1	0.9	0.5
	1.0	1.5	3.1	3.7

Table 17

STATUS OF NATIONS

Lend-Lease Countries and United Nations

ate 1ce atic .s .y	942 941	:
Earliest Date of Severance of Diplomatic Relations With Any Axis Power	Jan. 26, 1944 Jan. 28, 1942 Jan. 28, 1942 Jan. 20, 1943 Dec. 8, 1941 Jan. 29, 1942 Sept. 3, 1939	
of Sof Dark	Jan. Dec. Sept.	:
Earliest Date of Existence of State of War With Any Axis Power		8, 1941
rliest Exist of Stat Var W Any A Pow	######################################	
Ea of	Sept. May Apr. Apr. Apr. Nov. Dec. Dec. Dec.	မ် ဂ
United Nations Declaration Signed	1, 1942 1, 1942 27, 1943 6, 1943 1, 1942 1, 1942 1, 1942 1, 1942 1, 1942 1, 1942 1, 1942 1, 1942	1, 1942
Unite Natic Sclara		
¯ά	Tagara in the control of the control	Jan.
Reciprocal Aid Agree- ment Signed	3, 1942	
ecipro		:
A 4	Sept.	<u>:</u>
ease lent	(+) 16, 1942 6, 1941 3, 1942 2, 1943 2, 1942 17, 1942 16, 1942 1, 1942 1, 1942 1, 1942 2, 1941 1, 1942 2, 1941 6, 1942	2, 1942
Lend-Lease Agreement Signed		
2₹	June Doc. Mar. June Mar. June Mar. June May. Aug.	Feb.
for ase	1941 1941 1941 1941 1941 1941 1941 1941	1941
Declared Eligible for Lend-Lease Aid	9.11.60 9.00 9.00 9.00 9.00 9.00 9.00 9.00 9	9
Q띒Z	May Nov. Nay May May May May May May May May May M	May
		:
		:
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Country	cepub	:
	12	dor.
	Argentina Australia Belgium Belgium Bolivia Canada Chile China Colombia Costa Rica Cuba Czechoslovakia Czechoslovakia Egypt	Salva
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28, 1940 8, 1941 8, 1941 8, 1941

25, 1943 10, 1942 7. 16, 1942 E. 16, 1941 . 28, 1942

Sept.

Sept. 3, 1942 Sept. 25, 1943

1, 1942 28, 1942

2, 1942 9, 1943

Ethiopia...French Committee of National

Liberation

Guatemala....

Iceland			Nov.	Nov. 21, 1941	: 							•••••	
India			:		:		Jan.	1, 1942	Sept.		:	:	
Iran					:	:	Sept.	9, 1943	Sept.		Sept.	8, 1941	
Irad				•			lan.	16, 1943	lan.		Tune	7, 1941	
Liberia	Mar. 10,	1942	June	8, 1943	Apr.	10, 1944	: :		Jan.	27, 1944	Ö,	2, 1942	
Luxembourg	•		:		· :		Jan.		May	٠.	:		
Mexico	May 6,	1941	Mar.	18, 1943	:		June	5, 1942	May	٠.	<u>ال</u>	19, 1941	
Netherlands	_		July	8, 1942	June	14, 1943			May	٠.	:		
New Zealand					Sept	3, 1942			Sept.		:		
Nicaragua			Öt.		· : -:	•			<u>ن</u>	•	:	:	
Norway			July		:		Jan.		Apr.		:	:	
Panama			:		:		Jan.		<u>د</u>		:	: : : : : : : : : : : : : : : : : : : :	
Paraguay			Sept.	20, 1941	:		: :		:		Jan.		
Peru			Mar.		<u>:</u>		:				Jan.	24, 1942	
Philippines	•	:		•	:	•	Inne	10,			: :		
Poland	Aug. 28,	1941	July	1, 1942	: :		Jan.	1, 1942	Sept.	1, 1939	:	:	
Saudi Arabia		1943	•		:	•	:	:			Date	uncer-	
											tain.	'n.	
South Africa		1941	•		<u>:</u>		Jan.	1, 1942	Sept.	6, 1939		:	
Turkey		1941					:	:			:	:	
United Kingdom	Mar. 11,	1941	Feb.	23, 1942		Sept. 3, 1942	Jan.	1, 1942	Sept.	3, 1939	:	:	
United States	•	:	-		: :		Jan.		<u>۾</u>	7, 1941	:	:	
U. S. S. R.	Nov. 7,	1941	June	11, 1942	:		Jan.	1, 1942	June	22, 1941	:	•	
Uruguay		1941	Jan.	13, 1942	:		:				Jan.	25, 1942	
Venezuela		1941	Mar.	18, 1942	:	•	:		:		<u>5</u>		
Yugoslavia	٠.	1941	July	24, 1942	:		Jan.	1, 1942	Apr.	6, 1941	:		

1 No Master Lend-Lease Agreement has been concluded with either Australia or New Zealand; but in the Reciprocal Aid Agreements entered into with these countries, they accepted the principles of the Lend-Lease Agreement with the United Kingdom as applicable to their lend-lease relations with the United States

⁸ Colombia declared a state of belligerency.

⁸ Territory under the jurisdiction of the French National Committee was declared eligible to receive lend-lease aid on November 11, 1941, and a reciprocal aid agreement was entered into with the Committee on September 3, 1942. French North and West Africa were declared eligible to receive lend-lease aid on November 13, 1942. On September 25, 1943, a Lend-Lease Modus Vivendi Agreement governing lend-lease aid and reciprocal aid was entered into with the French Committee of National Liberation, successor to the French National Committee and to the Haut Commandement en Chef Civile et Militaire established in French North and West Africa after the events of November 1942.

• In an exchange of notes dated November 30, 1942, Canada accepted the underlying principles of Article VII of the Master Agreement.

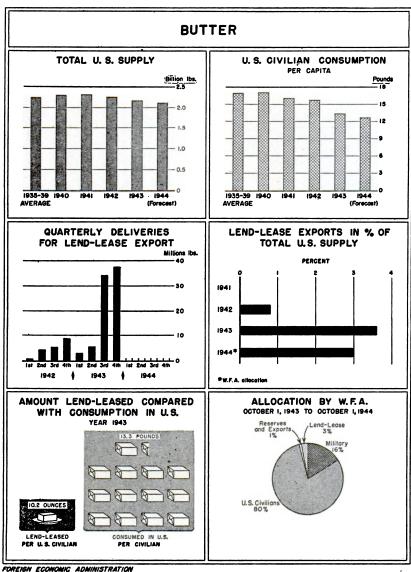


Chart 12

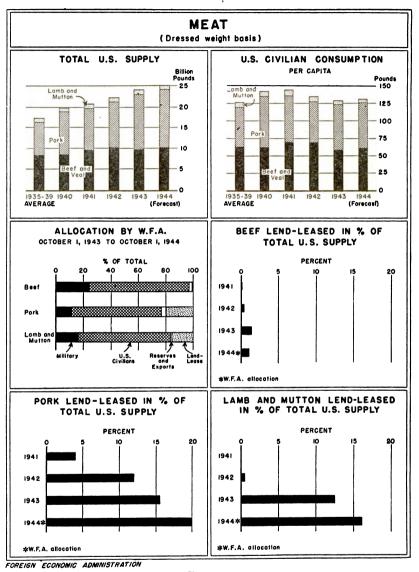
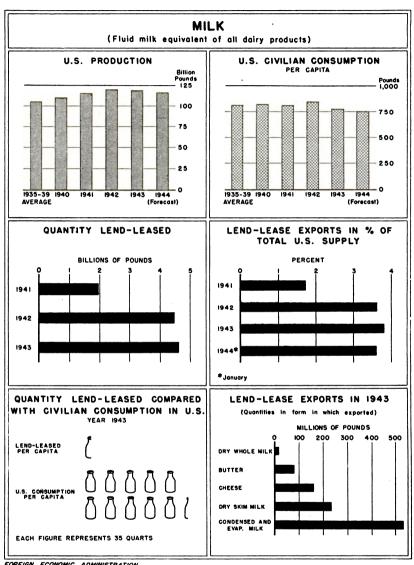


Chart 13



FOREIGN ECONOMIC ADMINISTRATION

Chart 14

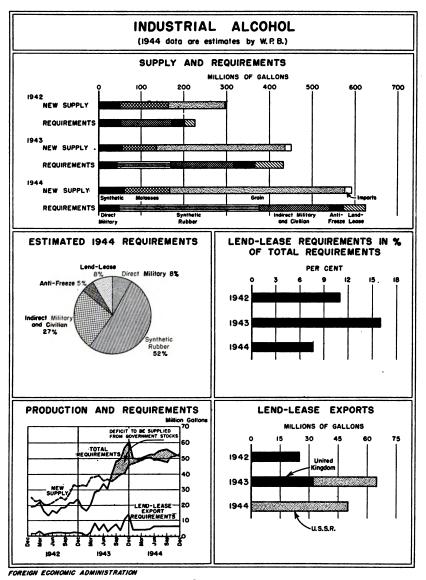
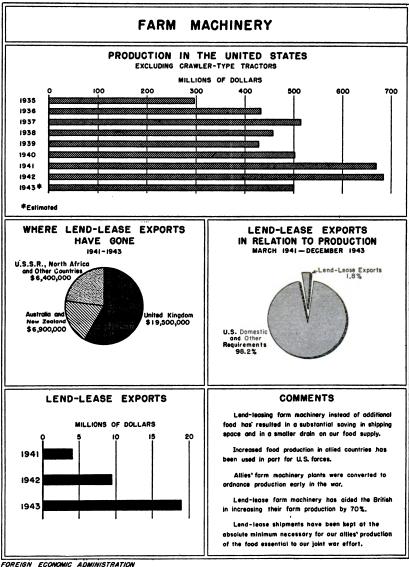


Chart 15



CADMINISTRATION

Chart 16

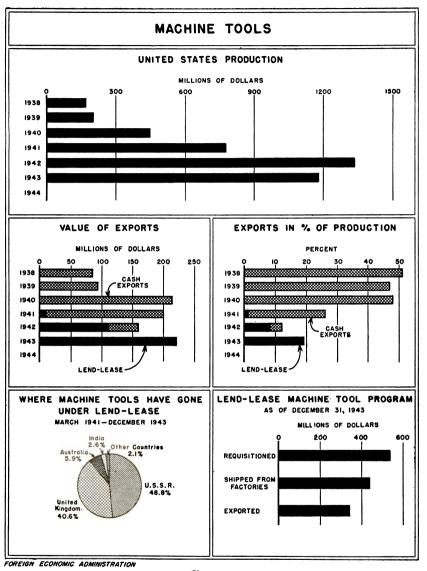


Chart 17

APPENDICES

KARABARA KA

Appendix I

LEND-LEASE ACT

Further to promote the defense of the United States, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "An Act to Promote the Defense of the United States."

Section 2

As used in this Act-

- (a) The term "defense article" means-
 - (1) Any weapon, munition, aircraft, vessel, or boat;
 - (2) Any machinery, facility, tool, material, or supply necessary for the manufacture, production, processing, repair, servicing, or operation of any article described in this subsection;
 - (3) Any component material or part of or equipment for any article described in this subsection;
 - (4) Any agricultural, industrial or other commodity or article for defense.

Such term "defense article" includes any article described in this subsection manufactured or procured pursuant to section 3, or to which the United States or any foreign government has or hereafter acquires title, possession, or control.

(b) The term "defense information" means any plan, specification, design, prototype, or information pertaining to any defense article.

Section 3

- (a) Nothwithstanding the provisions of any other law, the President may, from time to time, when he deems it in the interest of national defense, authorize the Secretary of War, the Secretary of the Navy, or the head of any other department or agency of the Government—
 - (1) To manufacture in arsenals, factories, and shippards under their jurisdiction, or otherwise procure, to the extent to which funds are made available therefor, or contracts are authorized from time to time by the Congress, or both, any defense article for the government of any

country whose defense the President deems vital to the defense of the United States.

- (2) To sell, transfer title to, exchange, lease, lend, or otherwise dispose of, to any such government, any defense article, but no defense article not manufactured or procured under paragraph (1) shall in any way be disposed of under this paragraph except after consultation with the Chief of Staff of the Army or the Chief of Naval Operations of the Navy, or both. The value of defense articles disposed of in any way under authority of this paragraph, and procured from funds heretofore appropriated, shall not exceed \$1,300,000,000. The value of such defense articles shall be determined by the head of the department or agency concerned or such other department, agency, or officer as shall be designated in the manner provided in the rules and regulations issued hereunder. Defense articles procured from funds hereafter appropriated to any department or agency of the Government, other than from funds authorized to be appropriated under this Act, shall not be disposed of in any way under authority of this paragraph except to the extent hereafter authorized by the Congress in the Acts appropriating such funds or otherwise.
- (3) To test, inspect, prove, repair, outfit, recondition, or otherwise to place in good working order, to the extent to which funds are made available therefor, or contracts are authorized from time to time by the Congress or both, any defense article for any such government, or to procure any or all such services by private contract.

(4) To communicate to any such government any defense information, pertaining to any defense article furnished to such government

under paragraph (2) of this subsection.

- (5) To release for export any defense article disposed of in any way under this subsection to any such government.
- (b) The terms and conditions upon which any such foreign government receives any aid authorized under subsection (a) shall be those which the President deems satisfactory, and the benefit to the United States may be payment or repayment in kind or property, or any other direct or indirect benefit which the President deems satisfactory.
- (c) After June 30, 1943, or after the passage of a concurrent resolution by the two Houses before June 30, 1943, which declares that the powers conferred by or pursuant to subsection (a) are no longer necessary to promote the defense of the United States, neither the President nor the head of any department or agency shall exercise any of the powers conferred by or pursuant to subsection (a); except that until July 1, 1946, any of such powers may be exercised to the extent necessary to carry out a contract or agreement with such a foreign government made before July 1, 1943, or before the passage of such concurrent resolution, whichever is the earlier.

(d) Nothing in this Act shall be construed to authorize or to permit the authorization of convoying vessels by naval vessels of the United States.

(e) Nothing in this Act shall be construed to authorize or to permit the authorization of the entry of any American vessel into a combat area in violation of section 3 of the Neutrality Act of 1939.

Section 4

All contracts or agreements made for the disposition of any defense article or defense information pursuant to section 3 shall contain a clause by which the foreign government undertakes that it will not, without the consent of the President, transfer title to or possession of such defense articles or defense information by gift, sale, or otherwise, or permit its use by anyone not an officer, employee, or agent of such foreign government.

Section 5

- (a) The Secretary of War, the Secretary of the Navy, or the head of any other department or agency of the Government involved shall, when any such defense article or defense information is exported, immediately inform the department or agency designated by the President to administer section 6 of the Act of July 2, 1940 (54 Stat. 714), of the quantities, character, value, terms of disposition, and destination of the article and information so exported.
- (b) The President, from time to time, but not less frequently than once every ninety days, shall transmit to the Congress a report of operations under this Act except such information as he deems incompatible with the public interest to disclose. Reports provided for under this subsection shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session.

Section 6

- (a) There is hereby authorized to be appropriated from time to time, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to carry out the provisions and accomplish the purposes of this Act.
- (b) All money and all property which is converted into money received under section 3 from any government shall, with the approval of the Director of the Budget, revert to the respective appropriation or appropriations out of which funds were expended with respect to the defense article or defense information for which such consideration is received, and shall be available for expenditure for the purpose for which such expended funds were appropriated by law, during the fiscal year in which such funds are received and the ensuing fiscal year; but in no event shall any funds so received be available for expenditure after June 30, 1946.

Section 7

The Secretary of War, the Secretary of the Navy, and the head of the department or agency shall, in all contracts or agreements for the disposition of any defense article or defense information, fully protect the rights of all citizens of the United States who have patent rights in and to any such article or information which is hereby authorized to be disposed of and the payments collected for royalties on such patents shall be paid to the owner and holders of such patents.

Section 8

The Secretaries of War and of the Navy are hereby authorized to purchase or otherwise acquire arms, ammunition, and implements of war produced within the jurisdiction of any country to which section 3 is applicable, whenever the President deems such purchase or acquisition to be necessary in the interests of the defense of the United States.

Section 9

The President may, from time to time, promulgate such rules and regulations as may be necessary and proper to carry out any of the provisions of this Act; and he may exercise any power or authority conferred on him by this Act through such department, agency, or officer as he shall direct.

Section 10

Nothing in this Act shall be construed to change existing law relating to the use of the land and naval forces of the United States, except insofar as such use relates to the manufacture, procurement, and repair of defense articles, the communication of information and other noncombatant purposes enumerated in this Act.

Section 11

If any provision of this Act or the application of such provision to any circumstance shall be held invalid, the validity of the remainder of the Act and the applicability of such provision to other circumstances shall not be affected thereby.

APPROVED, MARCH 11, 1941.

☆ ☆ ☆

On March 11, 1943, after affirmative votes of 407-6 in the House of Representatives and 82-0 in the Senate the President signed the Act extending the Lend-Lease Act until July 1, 1944.

On April 19, 1944, by vote of 344-21, the House of Representatives voted to extend the Lend-Lease Act until July 1, 1945, with the following amendment to Section 3 (b) of the Act as follows (new matter in italics):

"The terms and conditions upon which any such foreign government receives any aid authorized under subsection (a) shall be those which the President deems satisfactory, and the benefit to the United States may be payment or repayment in kind or property, or any other direct or indirect benefit which the President deems satisfactory: Provided, however, That nothing in this paragraph shall be construed to authorize the President in any final settlement to assume or incur any obligations on the part of the United States with respect to post-war economic policy, post-war military policy, or any post-war policy involving international relations except in accordance with established constitutional procedure."

On May 8, 1944, by vote of 63-1, the Senate also voted to extend the Act, with the same amendment as that adopted by the House except for deletion of the words "in any final settlement." On May 12 the House concurred in this change made by the Senate. On May 17 the President signed the Act.

Appendix II

BRITISH MASTER AGREEMENT

Agreement Between the Governments of the United States of America and of the United Kingdom on the Principles Applying to Mutual Aid in the Prosecution of the War Against Aggression, Authorized and Provided for by the Act of March 11, 1941.

Whereas the Governments of the United States of America and the United Kingdom of Great Britain and Northern Ireland declare that they are engaged in a cooperative undertaking, together with every other nation or people of like mind, to the end of laying the bases of a just and enduring world peace securing order under law to themselves and all nations;

And whereas the President of the United States of America has determined, pursuant to the Act of Congress of March 11, 1941, that the defense of the United Kingdom against aggression is vital to the defense of the United States of America;

And whereas the United States of America has extended and is continuing to extend to the United Kingdom aid in resisting aggression;

And whereas it is expedient that the final determination of the terms and conditions upon which the Government of the United Kingdom receives such aid and of the benefits to be received by the United States of America in return therefor should be deferred until the extent of the defense aid is known and until the progress of events makes clearer the final terms and conditions and benefits which will be in the mutual interests of the United States of America and the United Kingdom and will promote the establishment and maintenance of world peace;

And whereas the Governments of the United States of America and the United Kingdom are mutually desirous of concluding now a preliminary agreement in regard to the provision of defense aid and in regard to certain considerations which shall be taken into account in determining such terms and conditions and the making of such an agreement has been in all respects duly authorized, and all acts, conditions and formalities which it may have been necessary to perform, fulfill or execute prior to the making of such an agreement in conformity with the laws either of the United States of America or of the United Kingdom have been performed, fulfilled or executed as required;

The undersigned, being duly authorized by their respective Governments for that purpose, have agreed as follows:

Article I

The Government of the United States of America will continue to supply the Government of the United Kingdom with such defense articles, defense services, and defense information as the President shall authorize to be transferred or provided.

Article II

The Government of the United Kingdom will continue to contribute to the defense of the United States of America and the strengthening thereof and will provide such articles, services, facilities of information as it may be in a position to supply.

Article III

The Government of the United Kingdom will not without the consent of the President of the United States of America transfer title to, or possession of, any defense article or defense information transferred to it under the Act or permit the use thereof by anyone not an officer, employee, or agent of the Government of the United Kingdom.

Article IV

If, as a result of the transfer to the Government of the United Kingdom of any defense article or defense information, it becomes necessary for that Government to take any action or make any payment in order fully to protect any of the rights of a citizen of the United States of America who has patent rights in and to any such defense article or information, the Government of the United Kingdom will take such action or make such payment when requested to do so by the President of the United States of America.

Article V

The Government of the United Kingdom will return to the United States of America at the end of the present emergency, as determined by the President, such defense articles transferred under this Agreement as shall not have been destroyed, lost or consumed and as shall be determined by the President to be useful in the defense of the United States of America or of the Western Hemisphere or to be otherwise of use to the United States of America.

Article VI

In the final determination of the benefits to be provided to the United States of America by the Government of the United Kingdom full cognizance shall be taken of all property, services, information, facilities, or other benefits or considerations provided by the Government of the United Kingdom subsequent to March 11, 1941, and accepted or acknowledged by the President on behalf of the United States of America.

Article VII

In the final determination of the benefits to be provided to the United States of America by the Government of the United Kingdom in return for aid furnished under the Act of Congress of March 11, 1941, the terms and conditions thereof shall be such as not to burden commerce between the two countries, but to promote mutually advantageous economic relations between them and the betterment of world-wide economic relations. To that end, they shall include provision for agreed action by the United States of America and the United Kingdom, open to participation by all other countries of like mind, directed to the expansion, by appropriate international and domestic measures, of production, employment, and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples; to the elimination of all forms of discriminatory treatment in international commerce, and to the reduction of tariffs and other trade barriers; and, in general, to the attainment of all the economic objectives set forth in the Joint Declaration made on August 12, 1941, by the President of the United States of America and the Prime Minister of the United Kingdom.

At an early convenient date, conversations shall be begun between the two Governments with a view to determining, in the light of governing economic conditions, the best means of attaining the above-stated objectives by their own agreed action and of seeking the agreed action of other like-minded Governments.

Article VIII

This Agreement shall take effect as from this day's date. It shall continue in force until a date to be agreed upon by the two Governments.

Signed and sealed at Washington in duplicate this 23d day of February, 1942.

For the Government of the United States of America:

[SEAL]

SUMNER WELLES,
Acting Secretary of State of the
United States of America.

For the Government of the United Kingdom of Great Britain and Northern Ireland:

[SEAL]

HALIFAX
His Majesty's Ambassador Extraordinary
and Plenipotentiary at Washington.

* * *

Identical Master Lend-Lease Agreements have been signed with the following countries: Belgium, China, Czechoslovakia, Ethiopia, Greece, Liberia, The Netherlands, Norway, Poland, Union of Soviet Socialist Republics, and Yugoslavia. Australia and New Zealand have accepted the principles of the Master Agreements.

Appendix III

RECIPROCAL AID AGREEMENTS

Reciprocal aid agreements with United Kingdom, Australia, New Zealand, and Fighting France were concluded September 3, 1942, by the following exchanges of notes. The first three agreements were signed in Washington and the agreement with Fighting France was signed in London.

Agreement With United Kingdom

The Honorable Cordell Hull,

Secretary of State, United States Department of State,

Washington, D. C.

Sir: In the United Nations declaration of January 1, 1942, the contracting governments pledged themselves to employ their full resources, military or economic, against those nations with which they are at war and in the Agreement of February 23, 1942, each contracting government undertook to provide the other with such articles, services, facilities, or information useful in the prosecution of their common war undertaking as each may be in a position to supply. It is further the understanding of the Government of the United Kingdom of Great Britain and Northern Ireland that the general principle to be followed in providing mutual aid as set forth in the said Agreement of February 23, 1942, is that the war production and the war resources of both Nations should be used by the armed forces of each and of the other United Nations in ways which most effectively utilize the available materials, manpower, production facilities, and shipping space.

With a view, therefore, to supplementing Article 2 and Article 6 of the Agreement of February 23, 1942, between our two Governments for the provision of reciprocal aid, I have the honour to set forth below the understanding of the Government of the United Kingdom of Great Britain and Northern Ireland of the principles and procedures applicable to the provision of aid by the Government of the United Kingdom of Great Britain and Northern Ireland to the armed forces of the United States and the manner in which such aid will be correlated with the maintenance of those forces

by the United States Government.

1. While each Government retains the right of final decision, in the light of its own potentialities and responsibilities, decisions as to the most effective use of resources shall, so far as possible, be made in common,

pursuant to common plans for winning the war.

2. As to financing the provision of such aid, within the fields mentioned below, it is the understanding of the Government of the United Kingdom of Great Britain and Northern Ireland that the general principle to be applied, to the point at which the common war effort is most effective, is that as large a portion as possible of the articles and services which each Government may authorize to be provided to the other shall be in the form of reciprocal aid so that the need of each Government for the currency of the other may be reduced to a minimum.

It is accordingly the understanding of the Government of the United Kingdom of Great Britain and Northern Ireland that the United States Government will provide, in accordance with the provisions of, and to the extent authorized under, the Act of March 11, 1941, the share of its war production made available to the United Kingdom. The Government of the United Kingdom will provide on the same terms and as reciprocal aid so much of its war production made available to the United States as it authorizes in accordance with the Agreement of February 23, 1942.

3. The Government of the United Kingdom will provide the United States or its armed forces with the following types of assistance as such reciprocal aid, when it is found that they can most effectively be procured

in the United Kingdom or in the British Colonial Empire:

(a) Military equipment, munitions, and military and naval stores.

(b) Other supplies, materials, facilities, and services for the United States forces, except for the pay and allowances of such forces, administrative expenses, and such local purchases as its official establishments may make other than through the official establishments of the Government of the United Kingdom as specified in paragraph 4.

(c) Supplies, materials, and services needed in the construction of military projects, tasks, and similar capital works required for the common war effort in the United Kingdom or in the British Colonial Empire, except for the wages and salaries of United States citizens.

- (d) Supplies, materials, and services needed in the construction of such military projects, tasks, and capital works in territory other than the United Kingdom or the British Colonial Empire or territory of the United States to the extent that the United Kingdom or the British Colonial Empire is a more practicable source of supply than the United States or another of the United Nations.
- 4. The practical application of the principles formulated in this note, including the procedure by which requests for aid by either Government are made and acted upon, shall be worked out as occasion may require by agreement between the two Governments, acting when possible through their appropriate military or civilian administrative authorities. Requests by the United States Government for such aid will be presented by duly authorized authorities of the United States to official agencies of the United Kingdom which will be designated or established in London and in the areas where United States forces are located for the purpose of facilitating the provision of reciprocal aid.
- 5. It is the understanding of the Government of the United Kingdom of Great Britain and Northern Ireland that all such aid, as well as other aid, including information, received under Article 6 of the Agreement of February 23, 1942, accepted by the President of the United States or his authorized representatives from the Government of the United Kingdom will be received as a benefit to the United States under the Act of March 11, 1941. Insofar as circumstances will permit, appropriate record of aid received under this arrangement, except for miscellaneous facilities and services, will be kept by each Government.

If the Government of the United States concurs in the foregoing, I would suggest that the present note and your reply to that effect be regarded as placing on record the understanding of our two Governments in this matter.

I have the honour to be, with the highest consideration, Sir, your most

obedient, humble servant,

HALIFAX.

September 3, 1942

His Excellency the Right Honorable The Viscount Halifax, K. G., British Ambassador.

EXCELLENCY: I have the honor to acknowledge the receipt of Your Excellency's note of today's date concerning the principles and procedures applicable to the provision of aid by the Government of the United Kingdom of Great Britain and Northern Ireland to the armed forces of the United States of America.

In reply I wish to inform you that the Government of the United States agrees with the understanding of the Government of the United Kingdom of Great Britain and Northern Ireland as expressed in that note. In accordance with the suggestion contained therein, your note and this reply will be regarded as placing on record the understanding between our two Governments in this matter.

This further integration and strengthening of our common war effort gives me great satisfaction.

Accept, Sir, the renewed assurances of my highest consideration.

CORDELL HULL,

Secretary of State of the United States of America.

September 3, 1942

Agreement With Australia

The Honorable Cordell Hull,

Secretary of State, Washington, D. C.

Sir: As contracting parties to the United Nations Declaration of January 1, 1942, the Governments of the United States of America and the Commonwealth of Australia pledged themselves to employ their full resources, military and economic, against those nations with which they are at war.

With regard to the arrangements for mutual aid between our two Governments, I refer to the agreement signed at Washington on February 23, 1942, between the Governments of the United States of America and the United Kingdom on principles applying to mutual aid in the present war authorized and provided for by the Act of Congress of March 11, 1941, and have the honour to inform you that the Government of the Commonwealth of Australia accepts the principles therein contained as governing the provision of mutual aid between itself and the Government of the United States of America.

It is the understanding of the Government of the Commonwealth of Australia that the general principle to be followed in providing such aid is that the war production and war resources of both nations should be used by the armed forces of each, in the ways which most effectively utilize available materials, manpower, production facilities, and shipping space.

I now set forth the understanding of the Government of the Common-wealth of Australia of the principles and procedure applicable to the provision of aid by the Government of the Commonwealth of Australia to the armed forces of the United States and the manner in which such aid will be correlated with the maintenance of those forces by the United States Government.

1. While each Government retains the right of final decision, in the light of its own potentialities and responsibilities, decisions as to the most effective use of resources shall, so far as possible, be made in common,

pursuant to common plans for winning the war.

2. As to financing the provision of such aid, within the fields mentioned below, it is my understanding that the general principles to be applied to the point at which the common war effort is most effective, is that as large a portion as possible of the articles and services which each Government may authorize to be provided to the other shall be in the form of reciprocal aid so that the need of each Government for the currency of the other may be reduced to a minimum.

It is accordingly my understanding that the United States Government will provide, in accordance with the provisions of, and to the extent authorized under, the Act of March 11, 1941, the share of its war production made available to Australia. The Government of Australia will provide on the same terms and as reciprocal aid so much of its war production made available to the United States as it authorizes in accordance with the principles enunciated in this note.

3. The Government of Australia will provide as reciprocal aid the following types of assistance to the armed forces of the United States in Australia or its territories and in such other cases as may be determined by common agreement in the light of the development of the war.

(a) Military equipment, ammunition, and military and naval stores.

(b) Oher supplies, materials, facilities, and services for the United States forces except for the pay and allowances of such forces, administrative expenses, and such local purchases as its official establishments may make other than through the official establishments of the Australian Government as specified in paragraph 4.

(c) Supplies, materials, and services needed in the construction of military projects, tasks and similar capital works required for the common war effort in Australia and in such other places as may be determined, except

for the wages and salaries of United States citizens.

4. The practical application of the principles formulated in this note, including the procedure by which requests for aid by either Government are made and acted upon, shall be worked out as occasion may require by agreement between the two Governments, acting when possible through their appropriate military or civilian administrative authorities. Requests by the United States Government for such aid will be presented by duly authorized authorities of the United States to official agencies of the Commonwealth of Australia which will be designated or established in Can-

berra and in the areas where United States forces are located for the purpose

of facilitating the provision of reciprocal aid.

5. It is my understanding that all such aid accepted by the President of the United States or his authorized representatives from the Government of Australia will be received as a benefit to the United States under the Act of March 11, 1941. Insofar as circumstances will permit appropriate record of aid received under this arrangement, except for miscellaneous facilities and services, will be kept by each Government.

If the Government of the United States concurs in the foregoing, I would suggest that the present note and your reply to that effect be regarded as placing on record the understanding of our two Governments in this

matter.

I have the honor to be with the highest consideration, Sir, your obedient servant,

OWEN DIXON.

September 3, 1942.

The Honorable Sir Owen Dixon, K. C. M. G.,

Minister of Australia.

Sin: I have the honor to acknowledge receipt of your note of today's date concerning the principles and procedures applicable to the provision of aid by the Government of the Commonwealth of Australia to the armed forces of the United States of America.

In reply I have the honor to inform you that the Government of the United States of America likewise accepts the principles contained in the agreement of February 23, 1942, between it and the Government of the United Kingdom as governing the provision of mutual aid between the Governments of the United States and of the Commonwealth of Australia. My Government agrees with the understanding of the Government of the Commonwealth of Australia as expressed in your note of today's date, and, in accordance with the suggestion contained therein, your note and this reply will be regarded as placing on record the understanding between our two Governments in this matter.

This further integration and strengthening of our common war effort gives me great satisfaction.

Accept, Sir, the renewed assurances of my highest consideration.

CORDELL HULL,

Secretary of State of the United States of America.

September 3, 1942.

Agreement With New Zealand

The Honorable Cordell Hull,

Secretary of State,

United States Department of State,

Washington, D. C.

Sin: As contracting parties to the United Nations Declaration of January 1, 1942, the Governments of the United States of America and New Zealand

pledged themselves to employ their full resources, military and economic,

against those nations with which they are at war.

In the Agreement of February 23, 1942, between the Governments of the United Kingdom and of the United States of America, the provisions and principles of which the Government of New Zealand considers applicable to its relations with the Government of the United States, each contracting Government undertook to provide the other with such articles, services, facilities, or information useful in the prosecution of their common war undertaking as each may be in a position to supply.

It is the understanding of the Government of New Zealand that the general principle to be followed in providing such aid is that the war production and war resources of both nations should be used by each, in the ways which most effectively utilize available materials, manpower, production facilities,

and shipping space.

I now set forth the understanding of the Government of New Zealand of the principles and procedure applicable to the provision of aid by the Government of New Zealand to the armed forces of the United States and the manner in which such aid will be correlated with the maintenance of those forces by the United States Government.

1. While each Government retains the right of final decision, in the light of its own potentialities and responsibilities, decisions as to the most effective use of resources shall, so far as possible, be made in common, pursuant

to common plans for winning the war.

2. As to financing the provision of such aid, within the fields mentioned below, it is my understanding that the general principle to be applied, to the point at which the common war effort is most effective, is that as large a portion as possible of the articles and services to be provided by each Government to the other shall be in the form of reciprocal aid so that the need of each Government for the currency of the other may be reduced to a minimum.

It is accordingly my understanding that the United States Government will provide, in accordance with the provisions of, and to the extent authorized under, the Act of March 11, 1941, the share of its production made available to New Zealand. The Government of New Zealand will provide on the same terms and as reciprocal aid so much of its production made available to the United States as it authorizes in accordance with the principles enunciated in this note.

3. The Government of New Zealand will provide the United States or its armed forces with the following types of assistance, as such reciprocal aid, when it is found that they can most effectively be procured in New Zealand.

(a) Military equipment, munitions, and military and naval stores.

(b) Other supplies, materials, facilities, and services for the United States forces, except for the pay and allowances of such forces, administrative expenses, and such local purchases as its official establishments may make other than through the official establishments of the Government of New Zealand as specified in Paragraph 4.

- (c) Supplies, materials, and services needed in the construction of military projects, tasks, and similar capital works required for the common war effort in New Zealand, except for the wages and salaries of United States citizens.
- (d) Supplies, materials, and services needed in the construction of such military projects, tasks, and capital works in territory other than New Zealand or territory of the United States to the extent that New Zealand is a more practicable source of supply than the United States or another of the United Nations.
- 4. The practical application of the principles formulated in this note, including the procedure by which requests for aid by either Government are made and acted upon, shall be worked out as occasion may require by agreement between the two Governments, acting when possible through their appropriate military or civilian administrative authorities.
- 5. It is my understanding that all such aid accepted by the President of the United States or his authorized representatives from the Government of New Zealand will be received as a benefit to the United States under the Act of March 11, 1941. Insofar as circumstances will permit, appropriate record of aid received under this agreement, except for miscellaneous facilities and services, will be kept by each Government.

If the Government of the United States concurs in the foregoing, I would suggest that the present note and your reply to that effect be regarded as placing on record the understanding of our two Governments in this matter.

I have the honour to be, Sir,

Your obedient servant,

WALTER NASH, Minister of New Zealand.

September 3, 1942

The Honorable Walter Nash,

Minister of New Zealand:

SIR: I have the honor to acknowledge receipt of your note of today's date concerning the principles and procedures applicable to the provision of aid by the Government of New Zealand to the armed forces of the United States of America.

In reply I have the honor to inform you that the Government of the United States of America likewise considers the provisions and principles contained in the agreement of February 23, 1942, between it and the Government of the United Kingdom as applicable to its relations with the Government of New Zealand. My Government agrees with the understanding of the Government of New Zealand as expressed in your note of today's date, and, in accordance with the suggestion contained therein, your note and this reply will be regarded as placing on record the understanding between our two Governments in this matter.

This further integration and strengthening of our common war effort gives me great satisfaction.

Accept, Sir, the renewed assurances of my highest consideration.

CORDELL HULL,

Secretary of State of the United States of America.

September 3, 1942

Agreement With French National Committee

Text of Note to General Dahlquist From French National Committee

The French National Committee sets forth below its understanding of the principles governing the provision of reciprocal aid by the United States of America to Fighting France and by Fighting France to the United States:

1. The United States of America will continue to supply Fighting France with such defense articles, defense services, and defense information as the

President shall authorize to be transferred or provided.

2. Fighting France will continue to contribute to the defense of the United States of America and the strengthening thereof and will provide such articles, services, facilities, or information as it may be in a position

to supply.

3. The fundamental principle to be followed in providing such aid is that the war production and war resources of Fighting France and of the United States of America should be used by the armed forces of each in the ways which most effectively utilize available materials, manpower, production facilities, and shipping space. While each retains the right of final decision, in the light of its own potentialities and responsibilities, decisions as to the most effective use of resources shall, so far as possible, be made in common, pursuant to common plans for winning the war.

4. As to financing the provision of such aid, within the fields mentioned below, it is the Committee's understanding that the general principle to be applied, to the point at which the common war effort is most effective, is that as large a portion as possible of the articles and services to be provided

by each to the other shall be in the form of reciprocal aid.

It is accordingly the Committee's understanding that the United States Government will provide, in accordance with the provisions of, and to the extent authorized under, the Act of March 11, 1941, the share of its war production made available to Fighting France. Fighting France will provide on the same terms and as reciprocal aid so much of its war production made available to the United States as it authorized in accordance with the principles enunciated in this note.

5. Within the territories under the control of Fighting France, or within the same theater of operations, the National Committee will provide the United States or its armed forces with the following types of assistance, as such reciprocal aid, when it is found that they can most effectively be

procured in territory under the control of Fighting France:

(a) Military equipment, munitions, and military and naval stores.

(b) Other supplies, materials, facilities, and services for the United States forces, except for the pay and allowances of such forces, adminis-

trative expenses, and such local purchases as its official establishments may make other than through the official establishments of Fighting

France as specified in paragraph 6.

(c) Supplies, materials, and services, except for the wages and salaries of United States citizens, needed in the construction of military projects, tasks, and similar capital works required for the common war effort in territory under the control of Fighting France, or in the same theater of operations, to the extent that such territory is the most practicable source of supply.

6. The practical application of the principles formulated in this note, including the procedure by which requests for aid are made and acted upon, shall be worked out by agreement as occasion may require through the appropriate military or civilian administrative authorities. Requests by the United States forces for such aid will be presented by their duly authorized authorities to official agencies of Fighting France which will be designated or established in the areas where United States forces are located for the purpose of facilitating the provision of reciprocal aid.

7. It is the Committee's understanding that all such aid accepted by the President of the United States or his authorized representatives from Fighting France will be received as a benefit to the United States under the Act of March 11, 1941. Insofar as circumstances will permit, appropriate record of aid received under this arrangement, except for miscellaneous

facilities and services, will be kept by each.

If the Government of the United States concurs in the foregoing, the present note and a reply to that effect will be regarded as placing on record the understanding in this matter.

Text of Note to French National Committee From General Dahlquist

The Government of the United States of America agrees with the understanding of the National Committee, as expressed in the English text of the Committee's note of today's date, concerning the principles and procedures applicable to the provisions of aid by Fighting France to the armed forces of the United States of America and, in accordance with the suggestion contained therein, that note and this reply will be regarded as placing on record the understanding in this matter.

September 3, 1942

Appendix IV

MODUS VIVENDI ON RECIPROCAL AID IN FRENCH NORTH AND WEST AFRICA

The Government of the United States and the French Committee of National Liberation, desirous of lending each other the reciprocal aid necessary to the prosecution of the joint war effort, are agreed upon the following provisional Modus Vivendi which will, following signature, be applicable in French North and West Africa:

I. With reference to supplies and services urgently needed to maintain the French war effort, which the United States has furnished to the French authorities and will continue to furnish, within limitations of need and

supply, it is understood that:

(a) Military aid, including supplies for railroads, docks, public utilities, and other facilities to the extent that such supplies are determined to be military aid is made available on a straight Lend-Lease basis, in the light of the considerations set forth in Paragraph V. Such aid does not include the pay and allowances of French forces. The United States reserves the right to require the return of any articles furnished under this paragraph and not lost, destroyed or consumed,

(i) if at any time it is decided that such restitution would be an advantage in the conduct of the war, or

(ii) if at the end of the present emergency as determined by the President of the United States, the President shall determine that such articles are useful in the defense of the United States or of the Western Hemisphere, or to be otherwise of use to the United States.

(b) For all civilian supplies imported from the United States, the French authorities will pay upon the basis of prices to be agreed. Payment will be made, currently at convenient intervals, in dollars, to an appropriately designated account in the United States.

(c) The distinction between civilian and military aid, supplies and services, where such distinction may be necessary, will be made by agreement.

(d) All aid furnished under Paragraph I (a) and I (b) will be made available by the United States under the authority and subject to the terms and conditions provided for in the Act of Congress of 11 March, 1941, as amended (P. L. 11, 77th Congress, 1st Session).

II. With reference to supplies and services 'rgently needed to maintain the United States war effort, which the French authorities have furnished

to the United States and will continue to furnish, within limitations of need and supply, it is understood that:

- (a) The French authorities undertake to make available to or for the use of the armed forces and other governmental agencies of the United States, as reverse Lend-Lease aid to the United States, on a straight Lend-Lease basis, when it is found that such aid can most effectively be procured in territory under their control.
 - (i) military equipment, munitions, and military and naval stores;
 - (ii) other supplies, materials, facilities and services for United States forces, including the use of railway and port facilities, but not including the pay and allowances of such forces nor the administrative expenses of American missions:
 - (iii) supplies, materials, facilities and services, except for the wages and salaries of United States citizens, needed in the construction of military projects, tasks and similar capital works required in the common war effort, to the extent that French North or West Africa is the most practicable source of such supplies, materials, facilities or services;
 - (iv) such other supplies, materials, services or facilities as may be agreed upon as necessary in the prosecution of the war, but not including exports of civilian supplies to the United States from North and West Africa.

While the French authorities retain, of course, the right of final decision subject to the obligations and arrangements they have entered into for the prosecution of the war, decisions as to the most effective use of resources shall, so far as possible, be made in common, pursuant to common plans for winning the war.

(b) All civilian supplies exported from French North and West Africa to the United States will be paid for on the basis of prices to be agreed. Payment will be made currently, at convenient intervals, in dollars, to an appropriate designated account in the United States.

(c) The distinction between civilian and military aid, supplies and services, where such distinction may be necessary, will be made by agreement

- (d) In order to obtain the supplies and services included within the scope of Paragraph II (a), duly authorized United States officers or other officials will submit their requests to the official services duly designated by the French authorities. These services will be established in Algiers, Casablanca, Oran, Tunis, Dakar, and other places where it may be found practicable and convenient to establish organizations for facilitating the transfer of reciprocal aid.
- (e) For use in those exceptional cases, and particularly in cases of local procurement of supplies, in which it is agreed to be more practicable to secure such reverse Lend-Lease supplies, facilities and services by direct purchase, rather than by the method of procurement set forth in Paragraph II (b), it is agreed that the French authorities establish a franc account in convenient banking institutions and in the name of a designated officer of the United States to facilitate the provision of reverse Lend-Lease aid as con-

templated by Paragraph II (a). The French contributions to this account will be mutually agreed upon from time to time in the light of the changing needs of the American forces, and other appropriate factors. Such an account will not be used for the payment of wages and salaries of American military or civilian personnel, nor for administrative expenses of American missions. Estimates of the franc requirements of the United States will be submitted to designated French authorities from time to time, as may be found convenient. The French authorities will be kept fully and currently informed of all transactions in this account.

III. In exceptional cases, and when they deem it preferable, the American military forces, or other agencies of the United States Government, may continue to use their present practice of acquiring francs against dollars from the French authorities.

IV. Adequate statistical records will be kept of all goods and services

exchanged as mutual aid under paragraphs I and II above.

V. The provisions of this modus vivendi correspond to a desire to reduce to an appropriate minimum the need of either party for currency of the other party. Provisions which call for payments in dollars have been decided upon in view of the special situation arising from accumulated dollar balances and availabilities of dollar funds due to the presence of United States troops in French North and West Africa. Revision of the payment provisions of this modus vivendi will be made should the situation require.

Signed at Algiers this 25th day of September, A. D. 1943.

For the Government of the United States of America:

/s/ ROBERT MURPHY

For the French Committee of National Liberation:

/s/ Massigli /s/ Jean Monnet

September 25, 1943.

Appendix V

EXECUTIVE ORDER ESTABLISHING FOREIGN ECONOMIC ADMINISTRATION

By virtue of the authority vested in me by the Constitution and the statutes of the United States, as President of the United States and Commander in Chief of the Army and Navy, and in order to unify and consolidate governmental activities relating to foreign economic affairs, it is hereby ordered as follows:

- 1. There is established in the Office for Emergency Management of the Executive Office of the President the Foreign Economic Administration (hereinafter referred to as the Administration), at the head of which shall be an Administrator.
- 2. The Office of Lend-Lease Administration, the Office of Foreign Relief and Rehabilitation Operations, the Office of Economic Warfare (together with the corporations, agencies, and functions transferred thereto by Executive Order No. 9361 of July 15, 1943), the Office of Foreign Economic Coordination (except such functions and personnel thereof as the Director of the Budget shall determine are not concerned with foreign economic operations) and their respective functions, powers, and duties are transferred to and consolidated in the Administration.
- 3. The Administrator may establish such offices, bureaus, or divisions in the Administration as may be necessary to carry out the provisions of this order, and may assign to them such of the functions and duties of the offices, agencies, and corporations consolidated by this order as he may deem desirable in the interest of efficient administration.
- 4. The powers and functions of the Administration shall be exercised in conformity with the foreign policy of the United States as defined by the Secretary of State. As soon as military operations permit, the Administration shall assume responsibility for and control of all activities of the United States Government in liberated areas with respect to supplying the requirements of and procuring materials in such areas.
- 5. All the personnel, property, records, funds (including all unexpended balances of appropriations, allocations, or other funds now available), contracts, assets, liabilities, and capital stock (including shares of stock) of the offices, agencies, and corporations consolidated by paragraph 2 of this order are transferred to the Administration for use in connection with the exercise and performance of its functions, powers, and duties. In the case of capital stock (including shares of stock), the transfer shall be to such agency, corporation, office, officer, or person as the Administrator shall designate. The Administrator is authorized to employ such personnel as may be necessary in the performance of the functions of the Administration and in order to carry out the purposes of this order.

6. No part of any funds appropriated or made available under Public Law 139, approved July 12, 1943, shall hereafter be used directly or indirectly by the Administrator for the procurement of services, supplies, or equipment outside the United States except for the purpose of executing general economic programs or policies, formally approved by a majority of the War Mobilization Committee in writing filed with the Secretary of State prior to any such expenditure.

7. All prior Executive Orders insofar as they are in conflict herewith are amended accordingly. This order shall take effect upon the taking of office by the Administrator, except that the agencies and offices consolidated by paragraph 2 hereof shall continue to exercise their respective functions

pending any contrary determination by the Administrator.

Franklin D. Roosevelt.

THE WHITE HOUSE, September 25, 1943.

Appendix VI

EXECUTIVE ORDER ESTABLISHING OFFICE OF LEND-LEASE ADMINISTRATION

By virtue of the authority vested in me by the Constitution and statutes of the United States, and particularly by the Act of March 11, 1941, entitled "An Act further to promote the defense of the United States and for other purposes" (hereafter referred to as the Act), and by the Defense Aid Supplemental Appropriation Act, 1941, approved March 27, 1941, and acts amendatory or supplemental thereto, in order to define further the functions and duties of the Office for Emergency Management of the Executive Office of the President in respect to the national emergency as declared by the President on May 27, 1941, and in order to provide for the more effective administration of those Acts in the interests of national defense, it is hereby ordered as follows:

- 1. There shall be in the Office for Emergency Management of the Executive Office of the President an Office of Lend-Lease Administration, at the head of which shall be an Administrator, appointed by the President, who shall receive compensation at such rate as the President shall approve and, in addition, shall be entitled to actual and necessary transportation subsistence, and other expenses incidental to the performance of his duties.
- 2. Subject to such policies as the President may from time to time prescribe, the Administrator is hereby authorized and directed, pursuant to Section 9 of the Act, to exercise any power or authority conferred upon the President by the Act and by the Defense Aid Supplemental Appropriation Act, 1941, and any acts amendatory or supplemental thereto, with respect to any nation whose defense the President shall have found to be vital to the defense of the United States: *Provided*, That the master agreement with each nation receiving lend-lease aid, setting forth the general terms and conditions under which such nation is to receive such aid, shall be negotiated by the State Department, with the advice of the Economic Defense Board and the Office of Lend-Lease Administration.
- 3. The Administrator shall make appropriate arrangements with the Economic Defense Board for the review and clearance of lend-lease transactions which affect the economic defense of the United States as defined in Executive Order No. 8839 of July 30, 1941.
- 4. Within the limitation of such funds as may be made available for that purpose, the Administrator may appoint one or more Deputy or Assistant Administrators and other personnel, delegate to such Deputy or Assistant Administrators any power or authority conferred by these orders, and make provision for such supplies, facilities, and services as shall be necessary to

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SIXTEENTH REPORT TO CONGRESS ON LEND-LEASE OPERATIONS

For the Period Ended June 30, 1944



SIXTEENTH REPORT TO CONGRESS ON LEND-LEASE OPERATIONS

For the Period Ended June 30, 1944

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"The President from time to time, but not less frequently than once every ninety days, shall transmit to the Congress a report of operations under this Act except such information as he deems incompatible with the public interest to disclose."

[From Section 5, subsection b of "An Act to Promote the Defense of the United States" (Public Law No. 11, 77th Congress, 1st Session).]

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PRESIDENT'S LETTER OF TRANSMITTAL

To the Congress of the United States of America:

Pursuant to law, I am submitting herewith the Sixteenth Report to Congress on Lend-Lease Operations.

Lend-Lease supplies and services provided to our Allies in the three months ending June 30, 1944, amounted to \$4,045,000,000 in value. In all, lend-lease aid has been provided in the amount of \$28,270,000,000.

Three years ago the Axis aggressors were well along the road to domination of the world. The United States itself was in grave danger. Today the United Nations are moving relentlessly along the roads which lead to Berlin and Tokyo.

In the preparation and execution of the powerful offensives on which we are now jointly engaged with our Allies, lend-lease has fulfilled its promise. Every day that the men of our Army and our Navy go into battle lend-lease is being effectively used in the common cause by the heroic men of the other United Nations. Through lend-lease, the full power of American production is being brought to bear against our common enemies by the millions of fighting men of our Allies. Through lend-lease, American weapons and other war supplies are being used by our Allies to destroy our enemies and hasten their defeat.

We should not permit any weakening of this system of combined war supply to delay final victory a single day or to cost unnecessarily the life of one American boy. Until the unconditional surrender of both Japan and Germany, we should continue the lend-lease program on whatever scale is necessary to make the combined striking power of all the United Nations against our enemies as overwhelming and as effective as we can make it.

We know now that by combining our power we can speed the day of certain victory. We know also that only by continuing our unity can we secure a just and durable peace.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,

August 23, 1944.

Chapter 1

LEND-LEASE AND THE UNITED STATES

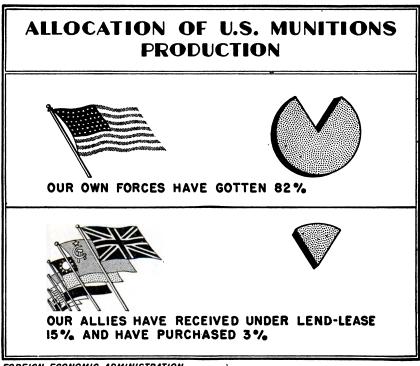
For the Benefit of the United States

The title of the Lend-Lease Act is "An Act to Promote the Defense of the United States". Everything that has been done under the Lend-Lease Act has been for the defense of the United States and for no other purpose. The program of lend-lease aid began on March 11, 1941, at a time when the security of the United States was already gravely threatened by the Axis aggressors who were seeking to dominate the world. We gave aid to Britain and the other nations resisting the aggressors because these nations held positions vital to our own defenses. If they had been defeated, the Western Hemisphere would have been left isolated and surrounded by overwhelmingly powerful forces that made no secret of their hostility to our continued existence as a free and independent people. We gave lend-lease aid in order to aid ourselves.

When we were ourselves attacked on December 7, 1941, the nations to whom we had sent lend-lease aid were still in the fight and they became our strong fighting partners in the coalition war waged since then by the United Nations. Since December 7th we have given lend-lease aid in order to help our allies help us win complete and final victory over our common enemies at the earliest possible moment and at the lowest cost in lives. We have continued to provide lend-lease aid in order to aid ourselves.

The accounting of lend-lease aid is kept in dollar figures. But no money is either loaned or given away to other nations under lend-lease. The money that is used for the lend-lease program is spent by the United States Government for arms and other war supplies and services needed for the fight against the Germans and the Japanese. Virtually all of these supplies are produced in the United States and virtually all of the money is spent in the United States. This money goes into the pockets of American farmers and American war-workers and American businessmen. Some of it comes back to the United States Treasury in the form of taxes.

It is not money, but tanks, planes, guns and ships, warproduction materials, and food, that go abroad under lendlease. And they go for one purpose only—to be used by our allies either directly or indirectly against our enemies—the Germans and the Japanese. The ultimate recipients of lendlease supplies are not our allies. The ultimate recipients are the Germans and the Japanese whom our allies are able to kill or capture by using these supplies.



FOREIGN ECONOMIC ADMINISTRATION

Chart 1

Take, for example, a lend-lease bomb. This particular bomb is turned over to the British and the dollar cost goes into the books as lend-lease aid to the United Kingdom. But the British don't keep the bomb. It is dropped by a British plane square on a German gun emplacement holding up our tanks in northern France. It is the German gun crew that ultimately gets the bomb and is wiped out in the process.

We made that bomb for use against our enemies. The British used it against our enemies. Because the bomb was dropped by a British plane its cost was charged up to lendlease. If the bomb had been dropped by an American plane its cost would be included in the U.S. Army Air Forces' own procurement costs. In either case the ultimate destination of the bomb and the benefits of its use to the United States and to the other United Nations are the same—the enemy is hurt, the lives of men in our own and allied forces are saved and victory is brought that much nearer. What is true of the bomb is also true of the other supplies that we send under lend-lease. American materials were combined with British materials in the British factory that produced the plane that dropped the bomb. And the British workers who built the plane and the RAF crew that flew it against the Germans got enough to eat because lend-lease food was included in their rations.

The statistics of lend-lease aid simply measure that part of our total production of war goods and services that is used by the forces of our allies, instead of by our own forces, against our enemies. In the same way, the statistics of their reverse lend-lease aid to us simply measure that part of their total production of war goods and services that is used by our forces, instead of theirs. But we benefit equally from that part of our allies' production that goes to their own armed forces, just as they benefit equally from that part of our production that goes to our own armed forces.

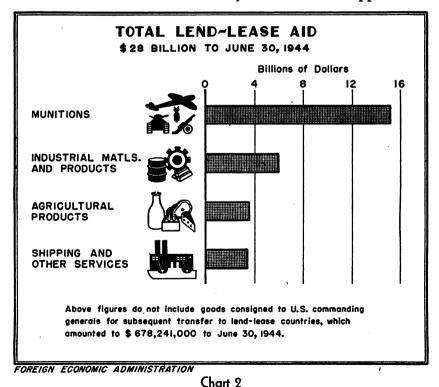
The ultimate measurement of the aid that we have given and have received is not to be found in the dollar figures of lend-lease and reverse lend-lease. Nor can it be found in any dollar figures, since human lives as well as material resources are involved in the accounting. It can be found only in terms

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of the battles won, the millions of enemy troops killed and captured, and the hundreds of thousands of lives saved, because the United Nations have successfully combined all their resources in men and materials for winning victory and winning it far sooner than would otherwise have been possible.

Lend-Lease Aid

From March 11, 1941, to June 30, 1944, lend-lease supplies and services valued at \$28,270,351,000 were provided to our allies under the Lend-Lease Act. In addition \$678,241,000 worth of supplies were consigned to U. S. commanding generals in the field for subsequent lend-lease transfer to allied forces. The decisions as to whether these war supplies and services should be provided to our allies instead of being used by our own forces were made by the United States' own military chiefs of staff and war production high command on the basis of one consideration only—that these supplies and



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TOTAL LEND-LEASE AID

March 1941 Through June 30, 1944

Category	Amount	% of Total
Goods Transferred:		
Munitions	\$15,162,329,000	53.6
Industrial Materials and Products	6,026,086,000	21.3
Agricultural Products	3,630,585,000	12.9
Total Transfers	24,819,000,000	87.8
Services Rendered:		
Servicing and Repair of Ships, etc Rental of Ships, Ferrying of Aircraft,	522,853,000	1.9
etc	2,210,752,000	7.8
Production Facilities in U. S	621,700,000	2.2
Miscellaneous Expenses	96,046,000	0.3
Total Services	3,451,351,000	12.2
Total Lend-Lease Aid	28,270,351,000	100.0
Consignments to Commanding Generals*	678,241,000	

^{*}Goods consigned to United States commanding generals for subsequent transfer in the field to lend-lease countries. The value of such goods transferred is not included in the lend-lease aid total of \$28,270,351,000. Further information on consignments to commanding generals is given in Table 17, page 54.

Table 1

services would do more good toward winning the war and toward aiding the United States if they were provided to our allies than if they were retained for our own use.

Ninety-seven percent of all lend-lease aid has been provided to our major fighting allies—the British Commonwealth, the Soviet Union, and China. The total dollar figure of lend-lease aid—over \$28,000,000,000—is about 15 percent of all that the United States has spent for defense and war purposes. Out of each dollar 85 cents has been spent for supplies and services used by our own forces in defense of the United States and toward winning the war; and 15 cents has been spent for supplies and services used by our allies toward winning the same war and therefore used equally in the interests of our own defense.

Approximately 54 percent of lend-lease aid has consisted of all types of fighting equipment, including ships, and classified as munitions. These are used by our allies directly against our enemies.

Approximately 21 percent of lend-lease aid has consisted of industrial materials and products. These are also used by our allies against our enemies. Some of these products, such as aviation gasoline, are used to power allied bombers and fighters. The rest of these supplies are used in the factories of our allies to produce munitions and other vital war materials. With these supplies the factories of our allies can produce more fighting equipment.

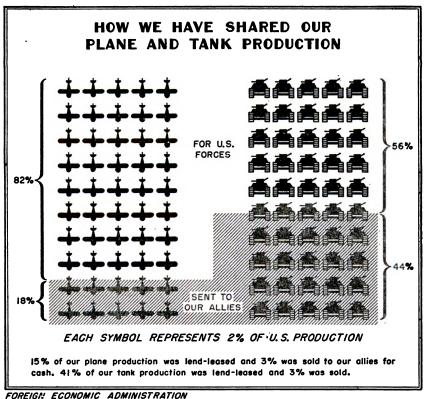
Approximately 13 percent of lend-lease aid consists of foods and other agricultural products. These supplies, too, are used by our allies indirectly against our enemies. Lend-lease food makes it possible for the soldiers in their armies and the workers in their factories to get enough to eat.

The balance of lend-lease aid—about 12 percent of the total—consists of services, such as the repair and rental of ships, the ferrying of aircraft, and the building of factories in the United States to produce lend-lease supplies. These services enable our allies to use more effectively against our enemies both what they themselves produce and what we send to them.

Lend-Lease Munitions and U. S. Production

Lend-lease munitions transfers totalled \$15,162,000,000 by June 30, 1944. Yet this great amount was only 15 percent of our total munitions production since the beginning of our defense and war production program in 1940. Our allies purchased another 3 percent for cash. Our own armed forces have received 82 percent—over four-fifths—of all the munitions we have produced.

We have sent 30,900 lend-lease planes to our allies since March 11, 1941. They have purchased another 7,000 for cash. We retained for the use of our own forces over 175,000 planes. Lend-lease planes, great as their numbers have been, have accounted for only 15 percent of our total plane production.



PUREIGI: ECUNUMIC ADMINISTRATION

Above percentages are based on numbers of finished planes and tanks.

Chart 3

We have sent to our allies 26,900 lend-lease tanks and 637,600 other military motor vehicles, including ordnance vehicles, jeeps, and trucks. Our allies have purchased from us for cash an additional 1,600 tanks and 270,000 trucks. We have retained for our own use 36,500 tanks and 1,500,000 other military motor vehicles. The lend-lease share of our total production of tanks and other military motor vehicles is larger than for any other category of munitions—25 percent.

On the other hand, the \$2,641,776,000 worth of naval and merchant ships and small craft leased to our allies for the war have amounted to less than 10 percent in value of all ships built in American yards—so great has been our ship building program. We have leased 511 cargo ships of 1,000 gross tons or over and 1,284 merchant and auxiliary craft of under 1,000

gross tons. We have leased over 1,400 naval vessels of all types, the great majority of which are landing craft, PT boats, and other small craft, but including also a few score of larger combat types, such as convoy escort aircraft carriers and corvettes. All ships provided under the Lend-Lease Act are leased for the duration of the war and remain the property of the United States.

Industrial Materials and Products

Similarly the industrial materials and products sent to our allies have been a comparatively small part of our total production of these war supplies. We have, for example, sent \$1,009,399,000 of petroleum products under lend-lease. This was less than 9 percent of our total production of petroleum products, and much of the gasoline and oil we have sent abroad under lend-lease has been used by our own overseas air and naval forces.

Foodstuffs

Between March 11, 1941, and June 30, 1944, we sent over \$3,300,000,000 worth of food, almost entirely to the United Kingdom and Russia. The British cannot raise enough food on their crowded island to feed themselves; they must import much of their food or starve. And the Soviet Union's best food-producing areas were in the hands of the Germans for more than two years. The food we have sent has been vital to winning the war. Yet it has been less than 10 percent of our total food production since the beginning of the lend-lease program. In the first six months of this year we have shipped under lend-lease, for example, 8 percent of all our meat, including only 1 percent of our beef and veal and 13 percent of our pork; less than 2 percent of our butter, slightly over 19 percent of our cheese, less than 4 percent of our canned vegetables and 8 percent of our canned fruits and juices.

Lend-Lease Exports and Cash Exports

Actual shipments of lend-lease supplies reached a cumulative dollar value of \$21,534,870,000 on June 30, 1944.1 past 12 months lend-lease exports have averaged close to \$1,000,000,000 a month. In spite of this tremendous volume of lend-lease exports and the inevitable effects of war requirements and shipping shortages on normal commercial trade, the dollar value of cash exports from the United States has been maintained at pre-war levels and has been increasing for the past 12 months. Our cash exports between March 11, 1941, when the Lend-Lease Act became law, and June 30, 1944, totaled \$10,900,000,000, approximately half as much as our lend-lease exports in the same period.

UNITED STATES FOREIGN TRADE

Value in Millions of Dollars

	Exports			l
	Lend-Lease	Cash	Total	Imports
1935		2,283	2,283	2,04
1936		2,456	2,456	2,42
1937		3,349	3,349	3,08
1938		3,094	3,094	1,96
1939		3,177	3,177	2,31
1940		4,021	4,021	2,62
1941	739	4,408	5,147	3,34
1942	4,891	3,144	8,035	2,74
1943		2,609	12,718	3,36
1944*		2,822	14,408	4,09

^{*}First 6 months at annual rate.

Table 2

¹ The value of total lend-lease aid exceeds the value of lend-lease exports, since the figures on aid include, and the export statistics do not include, the following items:

1. Goods transferred and awaiting export.

2. Goods transferred for use in this country, such as trainer planes used in the training of United Nations pilots.

3. Lend-lease services.

4. Ships leased for the duration of the war.

5. Supplies purchased outside the United States and transferred under lend-lease.

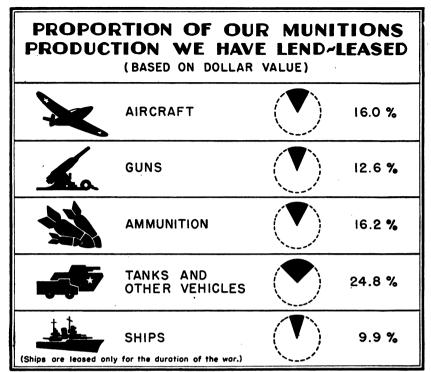
Although the outbreak of war in Europe in 1939 cut into our normal commercial exports, the total of our cash exports increased sharply in 1940 and 1941 because of large purchases of military equipment and other war supplies made by the nations now our allies, principally before the lend-lease program went into effect. Shipments on these war contracts continued through 1942 and into 1943. From 1939 through 1943 we exported \$2,389,000,000 worth of military equipment for which we were paid cash, principally by the British. addition, billions of dollars worth of other supplies purchased by the British and others for war purposes were included in our cash exports. As these pre-lend-lease contracts were completed the cash export totals declined from the 1941 level. This decline continued through the first six months of 1943. Since July 1, 1943, however, the trend has been reversed, and a gradual increase in cash exports has continued for a full vear.

In the four pre-war years, 1935–1938, total United States exports averaged less than \$2,800,000,000 a year. In the first six months of 1944 our cash exports, exclusive of lend-lease, were at an annual rate in excess of \$2,800,000,000 a year.

Even after allowance is made for differences in price levels, this is a surprising record. It is in sharp contrast to the experience of the United Kingdom, for example, whose exports, excluding munitions, have declined by more than 50 percent in value and by 70 percent in volume since the war began.

Including lend-lease, our total exports in the first six months of 1944 were at an annual rate of over \$14,400,000,000 a year, far in excess of the highest peacetime levels.

While lend-lease is a war program, it is likely to have stimulating effects on the commercial post-war foreign trade of the United States. The war has introduced American products to other countries in a volume and variety never approached before. After the war these countries will want to continue to obtain many of these products by buying them. American industry will have a greatly expanded foreign market, provided that our international economic policies make it possible for these nations to pay for their purchases.



FOREIGN ECONOMIC ADMINISTRATION

Chart 4

Lend-Lease on the Battlefronts

These effects of lend-lease on United States foreign trade are, however, incidental.

The lend-lease program is being carried out for one purpose, to help win the war—and to win it as quickly as possible. The results that have been and are being obtained from the lend-lease program are to be found, therefore, on the battlefronts around the world.

Chapter 2

LEND-LEASE AND THE WAR FRONTS

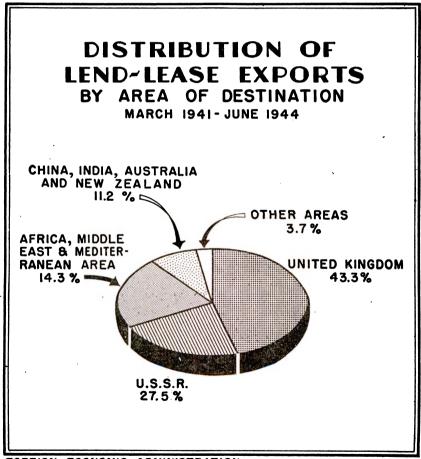
Three years ago, on June 30, 1941, the lend-lease program was just getting under way. The Nazis and the Fascists were the masters of all Western Europe. The British Isles were beleaguered by sea and by air, threatened by invasion and still fighting on only by a miracle of courage and united effort. Most of the Mediterranean was an Axis lake and the lifeline of the British Empire at Suez was in imminent danger of being cut. To the east, Hitler had launched his great offensive against the Soviet Union. The German armies were moving rapidly ahead and the Axis leaders were confident they would be in Moscow by fall. In the Far East, Japan was tightening her stranglehold upon China and secretly preparing her attack upon us, the British, and the Dutch. The Axis powers had not won the war, but they were winning all the battles and they appeared to possess overwhelming superiority in military equipment and trained manpower over the nations opposing them.

From Trickle to Torrent

The first lend-lease shipments were small. Between March 11, 1941, and December 7, 1941, we shipped only \$620,000,000 worth of supplies to the fighting fronts. But this aid and the promise that lay behind it of much more to come was given at a critical moment. The first lend-lease food shipments arrived in England at a time when the German submarine campaign had come so close to starving Britain out that her warehouses were almost empty of food stocks. The first American tanks

and planes arrived at Suez in time to strengthen the British 8th Army sufficiently to launch a counter-attack against Rommel. The first convoy of American and British supplies reached Murmansk at a time when the Nazi armies were at the gates of Moscow. In the Far East, American engineers and materials arrived for the development of the Burma Road into a passable, although still dangerous highway, and thousands of American trucks arrived to triple the volume of supplies carried over the road into China.

Lend-lease shipments were a trickle in 1941. But they helped our allies hold the line while we worked against time



FOREIGN ECONOMIC ADMINISTRATION

Chart 5

to expand our war production and train our armed forces in defense against the growing menace of the Axis. When we were attacked, Britain, Russia, and China were still fighting strongly and we were far better prepared than we would otherwise have been.

In the three years between June 30, 1941, and June 30, 1944, our lend-lease shipments to our allies, now combined with the tremendous striking power of our own forces, have fulfilled the prophecy made to Congress in the Second Lend-Lease Report on September 11, 1941: "Planes, tanks, guns, and ships have begun to flow from our factories and yards, and the flow will accelerate from day to day, until the stream becomes a river, and the river a torrent, engulfing this totalitarian tyranny which seeks to dominate the world."

Lend-lease shipments from the United States to the war theatres now total \$21,534,870,000. In addition we have leased for the duration \$2,448,039,000 of naval and merchant shipping and provided \$3,451,350,000 worth of lend-lease

LEND-LEASE EXPORTS TO ALL COUNTRIES

Thousands of Dollars

Category	Mar. 1941- June 1942	July 1942— June 1943	July 1943— June 1944	Total
Ordnance and Ammunition	375,034		2,711,680 886,000 1,285,876	1,815,835
Total Munitions Industrial Materials and Products Agricultural Products Total	687,092 784,441	1,865,696 1,300,054	2,903,458 1,929,983	12,064,146 5,456,246 4,014,478 21,534,870

services. For the past 12 months lend-lease exports have averaged close to a billion dollars each month, almost as much as in the entire first 12 months of the lend-lease program put together.

The enemy has felt the results of these shipments, just as he has felt the power of our own armed forces. For the United Nations the prospect has changed from the imminent danger of disaster to the certainty of complete victory, sooner than we had hoped, provided we do not allow the enemy to divide us, nor weaken the combined program that has brought us where we are today.

Combined Offensives

The forces of the Soviet Union, strengthened by lend-lease supplies, have pushed the Nazis back 1,200 miles from the Caucasus to the gates of Warsaw. The Red Army is over half of the way to Berlin. In the three years from June 22, 1941, to June 22, 1944, the Soviet Government has announced that the Soviet forces, while suffering the terrible number of 5,300,000 dead and missing soldiers themselves, have killed or captured 7,800,000 of the enemy. Hitler will not be able to use these men on the Western front.

Combined British, French, and other allied forces, fighting beside Americans and strengthened by lend-lease, have driven the enemy from all of Africa, cleared the Mediterranean and liberated over two-thirds of Italy.

In Western Europe the combined British-American air offensive upon Germany is continuing while the American, British, French, Canadian, Belgian, Dutch, and Polish forces are liberating France and destroying hundreds of thousands of the enemy. They, too, are headed for Berlin.

In the war against Japan the United States' drive across the Central Pacific has been supported by the decisive participation of Australian, New Zealand, and Dutch forces in General MacArthur's campaign back toward the Philippines by way of New Guinea. In the China-Burma-India theatre, Chinese, American, British, and Indian troops are fighting their way across Burma under General Stilwell; the Japanese have been

ejected from India; British naval forces in the Bay of Bengal are gaining strength for future blows in the direction of Singapore; and our air power inside China is growing fast as our B-29's hit the Japanese homeland again and again.

The combined forces of the United Nations are well on the way to Berlin and Tokyo. They are much further along the road than they could possibly have been without lend-lease and mutual aid. We shall shorten the war still further and save the lives of additional tens of thousands of Americans and allied soldiers by continuing the lend-lease program to the full extent necessary to win final victory over Japan—as well as Germany—at the earliest possible moment.

THE OFFENSIVES IN WESTERN EUROPE

When the combined American, British, French, and Canadian forces began the liberation of France on June 6, 1944, they were the best equipped and best supplied armies ever to move against an enemy. United States, British, and Canadian production had been pooled for three years to produce

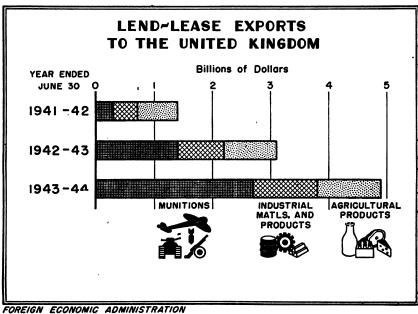


Chart 6

this result. Through lend-lease and mutual aid United States and Canadian production supplemented British production. Through reverse lend-lease Britain furnished our forces with supplies that could be provided locally. Most of the ships engaged in the landing and supply operations were British-manned. A majority of the ground forces have been Americans. The Air Forces are about equally divided. Regardless of nationality, every man who has participated in these operations has had what he needs to fight successfully against a dangerous and treacherous enemy. General Eisenhower has welded these armies into a single fighting team.

Guns, Planes, Tanks and Ships

Lend-lease shipments to the United Kingdom between March 11, 1941, and June 30, 1944, had a dollar value of \$9,321,549,000. About half of these supplies consisted of fighting equipment. Guns, shells, and bombs alone amounted to almost \$1,500,000,000. Many of these guns are now firing against the

LEND-LEASE EXPORTS TO UNITED KINGDOM

Thousands of Dollars

Category	Mar. 1941— June 1942	July 1942– June 1943	July 1943— June 1944	Total
Ordnance and Ammuntion Aircraft and Parts	136,412 20,831	370,588 352,476 103,179	1,000,170 390,953 337,123	764,260 480,834
Total Munitions Industrial Materials and Products	317,979 424,247	1,398,562 793,100	2,692,734 1,065,776	4,409,275 2,283,123
Agricultural Products Total	662,015 1,404,241		1,100,013 4,858,523	9,321,549

same enemy our men are facing in France and many of the bombs are now being dropped by British planes on our enemy's defense points, communications lines, and war-production centers.

The British produce themselves over three-quarters of the planes used by the R. A. F., including all their heavy bombers and most of their fighters, but we have shipped under lend-lease over 6,000 medium and light bombers, fighters and other planes to the United Kingdom, besides the thousands the British bought from us for cash or have received from Canada. We have also sent to the United Kingdom over 9,900 tanks. Many of these planes and tanks, manned by British crews, are fighting in the French campaign today.

We have also leased to the British for the duration \$1,610,-027,000 worth of combat ships and small naval craft. Many of the planes lend-leased to the British have been carrier planes which are now flying from British aircraft carriers. With this assistance to their own naval production, the British have been able to carry the major part of the burden of convoying men and supplies across the Atlantic and of covering our landing operations in North Africa, Sicily, Italy, and France, while the United States fleet has concentrated on the Pacific phase of the war.

British Factories and Food Rations

The British have themselves produced by far the larger share of the equipment needed for their forces. We have assisted them to maintain their war production record by supplying \$2,283,123,000 worth of industrial materials and products. Our shipments have included over 6,000,000 tons of steel and 550,000 tons of other metals for the production in British factories of more guns and planes and tanks and bombs to use against the enemy.

Before the war Britain imported about two-thirds of her food. By strict rationing and greatly increased home production the British have reduced their food imports by nearly two-thirds and thus saved ships for fighting equipment.

Part of their reduced food imports comes from the United States under lend-lease. We have sent Britain \$2,143,590,000 of food. This has been about 10 percent of Britain's total food supply. With this additional food from us, the British have been able to maintain the rations of their war workers, at a level considerably lower than ours, but still sufficient for working efficiency.

Italy and Southern France

Lend-lease shipments to the Mediterranean theatre totaled \$3,070,829,000 up to June 30, 1944. Almost all of these shipments have consisted of military supplies for the British, Indian, Polish, French, New Zealand, Australian, Greek, and other allied armies that have made up a majority of the United Nations fighting forces in this theatre. Until our landings in North Africa these supplies all had to be shipped around Africa and up the Red Sea or flown across Africa.

LEND-LEASE EXPORTS TO AFRICA, MIDDLE EAST, AND MEDITERRANEAN AREA

Thousands of Dollars

Category	Mar. 1941- June 1942	July 1942- June 1943	July 1943- June 1944	Total
Ordnance and Ammunition Aircraft and Parts Tanks and Parts Motor Vehicles and Parts Watercraft	11,147 44,108	238,928 177,175 121,558	439,844 308,234 211,896	689,919 529,517 396,672
Total Munitions Industrial Materials and Products	192,614 77,813 17,917	236,500	275,651	
Total	288,344	1,139,590	1,642,895	3,070,829

We have sent in all 4,800 lend-lease planes, 5,100 tanks, and 73,000 trucks and other motor vehicles to this theatre. This equipment has played a major role in the campaigns that began at El Alamein and Algiers in the fall of 1942 and have now reached Florence in northern Italy. It has strengthened the striking power of the allied forces fighting beside Americans in the invasion of southern France. In these campaigns, the Axis armies have lost hundreds of thousands of men and tremendous quantities of equipment.

The Army of France Reborn

With the fall of France, the French Army was virtually destroyed. Now there is an army of France again. equipped with lend-lease arms. In addition to equipment lend-leased directly to the French, we have sent \$420,369,000 worth of lend-lease equipment to the U.S. Commanding General in the field for subsequent transfer to the French. Some divisions of the reborn French Army have been playing a gallant and important role for months in the Italian campaign. Others are now engaged in southern France. In northern France a French armored division has been striking toward Paris as a powerful unit of Lieut. Gen. Patton's Third Army. Its commander is General Jacques LeClerc, who led the French in their 1,200 mile drive across the Sahara from Lake Chad to Tripoli in January 1943. Then his men rode in a few old and battered British and American trucks and light tanks.

The Germans thought that the men in this army would not be able to fight again in this war, because they had lost their arms and their homeland. They are back in the fight because we have sent them the Sherman tanks, the American half-tracks and artillery and the other equipment to replace what they had lost.

There are hundreds of thousands of men in the armed forces of Poland, Norway, the Netherlands, Czechoslovakia, Yugoslavia, Greece, and Belgium who are also back in the fight, though their homelands are occupied, because of the equip-

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ment that we and the British have been able to supply. Nor does this figure include the millions of partisan and underground forces fighting behind the German lines. All of them are doing their full share toward winning battles and killing Germans and Japanese.

THE EASTERN FRONT

In one of the most rapid and overwhelming military campaigns in history, the Red Army has advanced to the borders of East Prussia and the gates of Warsaw. Fighting on an 800-mile front from the Gulf of Finland to the foothills of the Carpathian mountains, the Soviet forces have broken through the German Baltic defenses, spanned the Vistula River in Poland, and covered more than half the distance to Berlin. The Soviet summer campaign began on June 23rd. In the first 38 days the Red Army had driven the enemy out of 110,000 square miles of territory, an area larger than New York, Pennsylvania and Maryland combined.

For Soviet War Production

Behind the advance of the Red Army and supplying its vital needs are Soviet production—now largely relocated and rebuilt in Siberia—and American lend-lease, supplemented by large amounts of British and Canadian mutual aid goods.

With the assistance of more than \$1,500,000,000 worth of industrial supplies and equipment that the United States has shipped to the U. S. S. R. from October 1941 through June 30, 1944, the Soviet Union has strengthened its own industrial ability and capacity to meet the growing needs of its armies. U. S. Government officials who have visited the Soviet Union have seen American steel, American machine tools, and other industrial products in the Soviet war factories, shippards, and repair shops that are providing the Soviet forces with the greater part of their equipment.

The rapid advance of the Red Army has meant increasingly long lines of transportation and communication to the rear, much of the way over lands that have been scorched by the retreating enemy. Lend-lease shipments of mobile equipment

and large quantities of supplies for its transportation and communication systems have aided the Red Army materially as it advances farther and farther from its home bases.

For Soviet Supply Lines

We have sent 300,000 trucks and other military motor vehicles to the Soviet Union. Half of all the supplies for the advancing Red Army that are sent by road are now being carried in American lend-lease trucks, according to estimates of U. S. Army observers. Almost 84,000 military motor vehicles were shipped to Russia in the first six months of 1944 alone.

Last year we began a program for shipments of railroad rolling stock to the Soviet Union. By June 30, 1944, we had sent to the Soviet 339 locomotives and 1,640 flat cars. We also increased our shipments of railroad rails and accessories. By June 30, we had shipped more than 455,000 tons of railroad rails and accessories, car and locomotive wheels and axles to aid in the rebuilding and expansion of the Soviet railroads. For the Soviet Army's communications system, we have shipped 934,000 miles of field telephone wire and 325,000 field telephones. American supply officers attached to the U. S. military mission have reported from the Soviet front that American transport and communications equipment has contributed immeasurably to success on the eastern front.

11,000 Planes

In the first six months of this year we sent more than 3,000 planes to the Soviet Union. From October 1, 1941, through June 30, 1944, more than 11,000 planes have been flown or shipped from the United States. Most of the planes sent to the Soviet Union have been Bell Airacobra P-39 and Curtiss P-40 fighters, Douglas A-20 attack bombers, and North American B-25's. The ace of all allied fighter pilots, Lt. Col. Alexander Pokryshkin of the Soviet Air Force, shot down 48 of his 59 Nazi planes in a Bell Airacobra. Nine other Soviet aces have shot down between 20 and 44 German planes each in lend-lease Airacobras. The German planes shot down by Russian airmen flying lend-lease planes cannot be used by Hitler against our men in France.

SOVIET OFFENSIVE AIDED BY LEND-LEASE LINE OF FARTHEST GERMAN ADVANCE Moscow LINE ON JULY 27, 1944 LINE IN MILES DEC. 1943 :1943 1944 Columns represent lend-lease shipments to the U.S.S.R. in years ended June 30. Figures are in billions of dollars.

FOREIGN ECONOMIC ADMINISTRATION

Chart 7

American fighter pilots are now also giving direct support to the Soviet offensive on the eastern front. From shuttle-bombing fields behind the Soviet front, American long-range pursuit ships have participated in operations in the Lwow area in Poland. American air forces stationed at these bases in Soviet territory are being provided with living quarters and other services and supplies by the U. S. S. R. under reverse lend-lease.

Food shipments to the Soviet Union have totalled 3,079,000 short tons since October 1, 1941, and are valued at more than \$900,000,000. These shipments include 588,000 tons of wheat and flour, 510,000 tons of canned meat, 356,000 tons of vegetable oils, and 62,000 tons of canned and dried milk. Our food shipments have made it possible for the Soviet Union to maintain the rations of the Red Army. To assist the Soviet people in the production of their own foods, particularly in the recently liberated Ukraine, and to relieve their dependence on outside sources, we have also shipped 17,000 tons of seeds since lend-lease aid to Russia began.

LEND-LEASE EXPORTS TO U. S. S. R.

Thousands of Dollars

Category	Mar. 1941- June 1942	July 1942- June 1943	July 1943- June 1944	Total
Ordnance and Ammunition Aircraft and Parts Tanks and Parts Motor Vehicles and Parts Watercraft	81,930	400,362 101,135 256,120	659,732 134,795	1,180,978 317,860 816,706
Total Munitions Industrial Materials and Products Agricultural Products	315,593 110,054 85,468	524,295	1,785,155 1,094,483 610,114	1,728,832
Total	511,115	1,931,077	3,489,752	5,931,944

30% Ahead of Schedule

From the beginning of the Soviet lend-lease program in October 1941 through June 30, 1944, total United States lend-lease exports to the U. S. S. R. have amounted to \$5,900,000,000. Of that amount, more than \$1,650,000,000 has been shipped in the first six months of this year.

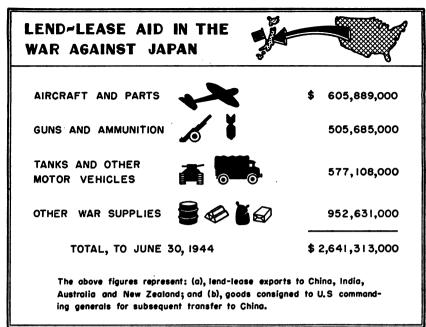
Because of the increased and pressing needs of the Soviet armies for the final drives against Germany as American and British forces attack from the west and south, shipments from the United States in the period between July 1, 1943, and June 30, 1944, exceeded the schedules called for under the Third Protocol by 30 percent. The schedules of the Third Protocol have been extended with necessary modifications to meet special circumstances, until the Fourth Protocol negotiations, now under way, are completed.

THE WAR AGAINST JAPAN

Southwest Pacific

Over \$2,641,000,000 worth of lend-lease supplies have been sent to Australia, New Zealand, and the China-Burma-India theatre for the war against Japan. These supplies have included almost 5,000 lend-lease planes and almost 3,000 lend-lease tanks which are being used against the Japanese by Australian, New Zealand, British, Chinese, Indian, and Dutch forces. With this help from us, they are inflicting heavy damage on the same enemy our men are fighting.

About a billion dollars' worth of these supplies have been sent to Australia and New Zealand in order that their participation in the allied campaign under General MacArthur may be as effective as possible. Australian and New Zealand troops, naval units, and air forces have continued to play an important part in the fighting in New Guinea and the Solomons alongside United States forces. Dutch airmen and troops in increasing numbers are also seeing action in this theatre. These allied forces have taken a heavy toll of the Japanese, and are now heading, along with our own forces, in the direction of the Philippines and the East Indies.



FOREIGN ECONOMIC ADMINISTRATION

Chart 8

This war theatre offers a vivid example of lend-lease and reverse lend-lease as a means of uniting the assets of the allies for fighting the war. In the 100,000 square miles embraced by the Solomons, New Britain, and New Ireland to the Carolines in the north and the outer Netherlands Indies on the west, troops are widely scattered and supply lines are difficult to maintain. To help meet this supply problem, engines built in the United States and sent out as lend-lease are fitted into Australian-built hulls, and the resulting motorships move among the scattered islands carrying food and supplies to the combined allied forces under MacArthur.

Industrial materials sent by the United States are also making possible a vastly increased production of munitions in the factories of Australia and New Zealand, while munitions shipped from this country and from the United Kingdom supplement the domestic output.

LEND-LEASE EXPORTS TO AUSTRALIA AND NEW ZEALAND

Thousands of Dollars

Category	Mar. 1941– June 1942	July 1942– June 1943	July 1943- June 1944	Total
Ordnance and Ammunition Aircraft and Parts Tanks and Parts Motor Vehicles and Parts Watercraft	34,350 2,176	80,883 70,962 48,727 59,586 3,594	25,571 141,341 4,343 94,019 3,645	128,321 246,653 55,246 157,586 7,243
Total Munitions Industrial Materials and Products	62,378 34,032 5,153	263,752 150,785 14,087	268,919 197,425 15,354	595,049 382,242 34,594
Total	101,563	428,624	481,698	1,011,885

Table 7

Australia and New Zealand are supplying over 90 percent of the food needs of our troops in the South and Southwest Pacific. In New Zealand only 25 percent of the total food production is retained for civilian consumption. Fifty percent is sent to the United Kingdom and 25 percent assigned to the American troops. In Australia, too, where agriculture is the principal industry, 20 percent of the total war budget is devoted to reverse lend-lease, and hundreds of thousands of tons of food are made available to the American troops.

China-Burma-India

China has been cut off by land and sea since the Burma Road was lost in April 1942, more than two years ago. Even when the Burma Road was open, the amount of supplies that could be carried over its hairpin turns and dizzy precipices never much exceeded 15,000 tons a month. Since April 1942 the only transportation into China has been by air. The air

route from Assam in upper India, to Yunnan province in China, crosses some of the worst country in the world through weather that is equally bad a large part of the year. Until recently the route has also been constantly subject to attack by Japanese fighter planes using bases in upper Burma.

LEND-LEASE EXPORTS TO INDIA AND CHINA

Thousands of Dollars

Category	Mar. 1941– June 1942	July 1942- June 1943	July 1943- June 1944	Total
Ordnance and Ammunition Aircraft and Parts Tanks and Parts Motor Vehicles and Parts Watercraft	30,777 10,287	105,971 60,889 63,550 47,328 8,004	72,808 267,570 31,833 109,525 20,014	236,418 359,236 105,670 195,125 28,487
Total Munitions Industrial Materials and Products	137,444 30,623 6,084	285,742 120,885 23,955	501,750 223,792 72,151	924,936 375,300 102,190
Total	174,151	430,582	797,693	1,402,426

Table 8

Nevertheless, the planes that fly this route now carry into China a considerably greater tonnage than was ever carried over the Burma Road. It is still only a relative trickle, and most of the supplies consist of gasoline, bombs, and ammunition for the United States and Chinese Air Forces operating inside China. All the gasoline that is used by the increasing number of combat planes flying from bases inside China, from our giant B-29's to P-40 fighters, has to be flown into China over the Hump.

Chinese Fliers and Tankmen

We have been able to get only a small amount of lend-lease supplies to the Chinese forces inside China. We have therefore brought Chinese fighting men out from China to the supplies. Hundreds of Chinese student pilots have been flown out of China, brought to the United States, trained under lend-lease, and then sent back to China to fly lend-lease planes against the Japanese. Many of these Chinese fliers are now members of the Chinese-American wing of General Chennault's Fourteenth U. S. Army Air Force.

The survivors of the Chinese forces whom General Stilwell led into India after the loss of Burma in the spring of 1942 have been joined by many other Chinese soldiers flown out from China. Trained and equipped under lend-lease in India, they have formed several divisions and a tank corps and are now fighting their way back to China ahead of the new road that is being cut across upper Burma. With the aid of small numbers of veteran American and British troops, this campaign has resulted in the capture of the main Japanese base in upper Burma - Myitkina. The air route into China has already been made safer by this campaign and eventually a land route into China will be reestablished.

Among the lend-lease supplies that we have sent into China have been spare parts for the few thousand American trucks that reached China over the Burma road before April 1942. Many of these trucks have been converted to charcoal-burners and are being kept in operation by shipments of spare parts and tires. Some of them are being used to maintain the supply lines inside China to General Chennault's air bases.

It is because it has been impossible to get supplies in any volume into China that lend-lease shipments to China up to June 30, 1944, totaled only \$153,584,000, and that lend-lease consignments to General Stilwell for subsequent transfer to China totaled only \$227,000,000 additional.

Much the greater part of our lend-lease shipments to this theatre—over \$1,248,000,000—have gone to India, which is the major base for operations against the Japanese from the east that will eventually free China, just as our naval operations from the west in the Pacific are directed to the same end.

Once land and sea communications with China are restored, lend-lease supplies can be sent to China in the volume needed to finish quickly the war against Japan.

WESTERN HEMISPHERE

Lend-lease aid to the other American Republics has been exclusively military in character and given for the purpose of strengthening the southern defenses of the Western Hemisphere and the development and protection of vital military supply routes by air and water.

Lend-lease aid to the other American Republics from March 11, 1941, to June 30, 1944, had a dollar value of \$197,000,000. The value of all lend-lease supplies actually shipped to the other American Republics in this period of three years and three months was \$171,970,000. This was less than one percent of all lend-lease exports and considerably less than what the United States Government spends in a single day toward fighting and winning the war.

LEND-LEASE EXPORTS TO LATIN AMERICA *
Thousands of Dollars

Category	Mar. 1941— June 1942	July 1942– June 1943	July 1943— June 1944	Total
Ordnance and Ammunition Aircraft and Parts Tanks and Parts Motor Vehicles and Parts Watercraft	1,041 6,003 1,778	11,642 28,399 17,783 8,196 450	34,877 12,148	26,632 69,279 29,931 18,289 1,127
Total Munitions Industrial Materials and Products	8,822 455	66,470 8,202 23	·	145,258 26,638 74
Total	9,277	74,695	87,998	171,970

^{*}The 20 other American Republics.

The security of the Panama Canal and of the southern half of our hemisphere against aggression has been made infinitely stronger than ever before through the full cooperation of all our neighbor republics except Argentina and at a cost in necessary assistance from us that is infinitesimal by comparison with the strategic value of this combined program to ourselves and to all the nations of this hemisphere.

Bases and Supply Routes

All the lend-lease supplies that we have shipped have consisted of military and naval equipment or materials for manufacture into war equipment. More than half of all lend-lease shipments to Central and South American countries have gone to Brazil. Natal in Brazil is the nearest point in the Western Hemisphere to Africa. It commands the South Atlantic approaches to the Caribbean and the Panama Canal. It is the jumping off point for the South Atlantic Trans-African Air Route over which most of our own Army and Navy planes, as well as lend-lease planes, have been ferried for the African and Mediterranean campaigns. It continues to be heavily used today, along with an additional ferry route that Portugal made possible by granting landing rights on the Azores.

Brazilian naval and air forces, as well as the naval and air forces of other American Republics, have participated fully in antisubmarine patrols and convoy duty in the Caribbean and South Atlantic. On both the Atlantic and Pacific, bases vital to the defenses of the Panama Canal have been made available to us. Brazil is also participating in the war overseas. Her first expeditionary force landed at Naples July 16th to take part in the Italian campaign.

The cooperative war program of the American Republics has also resulted in a great expansion of trade between the United States and our neighbors to the south. We have imported from Latin America tremendously increased quantities of strategic materials vital to the production of the planes, guns, tanks, and ships United Nations forces are using to win the war—copper, manganese, quartz crystals, tin,

rubber, rope fibers, and other materials. Since the Philippines and the Indies fell, virtually all the new supply of quinine which our soldiers need to fight off malaria has come from Latin America.

At the same time, our commercial exports to Latin America, for which we are paid in cash, have risen to 50 percent above pre-war levels, except to Argentina.

All the other American Republics receive lend-lease aid with the exception of Argentina and Panama. The defense needs of Panama are met by our own Panama Canal defenses.

SHIPMENTS TO OTHER AREAS

Lend-lease supplies valued at \$624,267,000 had been shipped as of June 30, 1944, to countries other than those discussed previously in this report. About two-thirds of the total went to Canada for transshipment to the United Kingdom or other United Nations, for further fabrication, or for use of United Nations forces training in Canada. No lend-lease aid is furnished to the Canadian Government by the United States. Canada has, however, purchased for cash in this country supplies needed for her war effort, using lend-lease procurement machinery for some of these purchases.

The balance of lend-lease exports, amounting to approximately \$175,000,000, has gone to widely scattered areas. Sorely needed munitions were rushed to Greece in the spring of 1941 when she was valiantly resisting the overwhelming Nazi forces. Subsequently we have sent limited quantities of foodstuffs to the starving people of Greece. Lend-lease has provided Red Cross food packages for Polish, Yugoslav, and other allied prisoners of war. Needed industrial equipment and materials have been shipped under lend-lease, although paid for in cash, to Curacao and Surinam, sources of bauxite ore for making aluminum, and of petroleum. Various outposts of the Fighting French and of other countries have been strengthened by lend-lease.

Chapter 3

REVERSE LEND-LEASE AID

The United States has never been bombed, it is far from the fighting fronts, and it has the greatest industrial capacity among the United Nations. The circumstances of our geographical position and our material strength have therefore called upon us to give most toward winning the war in production and in money, while our major fighting allies have been called upon to give more in lives, in destruction to their homelands and in the suffering of their people. The Russians have lost 5,300,000 soldiers dead, captured, or missing besides millions of civilians who have met death at the hands of the Millions of Chinese soldiers and civilians have been killed by the Japanese. The armed forces of the United Kingdom alone, with a population one-third of ours, had already suffered almost 400,000 casualties by September 1943—a year ago. This figure does not include the casualties of Dominion, Indian, or Colonial forces. Many more thousands of British soldiers have laid down their lives for our common victory since then. By June 30, 1944, over 50,000 British civilians-men, women, and children-had been killed by Nazi bombs and this was before the robot bombs had done most of their damage. Since then the robot bombs destroyed or damaged an average of 700 houses every hour of the day and night in England. Others of our allies have suffered proportionately heavy losses in lives and property.

We have been able to produce more than our own forces could use effectively against the enemy. Our fighting allies, on the other hand, have generally required most or all of the war supplies that they could produce for their own fighting forces, in addition to all that we could send them. The greatest return we have received for the lend-lease supplies that we have sent is in the extra damage our allies have been able to do to our common enemies with the help of these supplies from us.

Nevertheless, by June 30, 1944, we had received in addition and without cost to us over \$3,000,000,000 of reverse lendlease supplies and services from our allies. Most of this aid has been provided to American forces overseas by the British Commonwealth. Expenditures for reverse lend-lease aid by the United Kingdom, Australia, and New Zealand have been reported up to April 1, 1944. These expenditures for reverse lend-lease supplies and services provided to United States Army and Navy forces overseas and United States merchant shipping overseas in the three months between January 1 and April 1, 1944, amounted to \$483,500,000. Reports on reverse lend-lease aid furnished to American forces in India have not yet been received for the full first quarter of 1944, but partial figures available indicate that more than \$35,000,000 has been expended in India for reverse lend-lease aid for our forces during this period. This would make the total of reverse lend-lease aid received from the British Commonwealth for the first quarter of 1944 well in excess of \$500,000,000, or an annual rate of more than \$2,000,000,000.

The following table shows the expenditures for reverse lend-lease aid by the United Kingdom, Australia, and New Zealand in the first quarter of 1944 and cumulatively since June 1, 1942.

REVERSE LEND-LEASE AID

Furnished to U. S. Forces and Merchant Shipping Overseas

	Jan. 1-Apr. 1, 1944	Cumulative to Apr. 1, 1944
United Kingdom	\$370,760,000 95,258,000 17,482,000	\$1,934,400,000 457,623,000 109,368,000
TOTAL	483,500,000	1 2,501,391,000

¹ Figures for Jan. 1-Apr. 1, 1944, are preliminary.

In addition to the \$2,501,391,000 reverse lend-lease aid received by the United States from the United Kingdom, Australia, and New Zealand, reverse lend-lease aid to our forces in India already had totalled more than \$100,000,000 by January 1, 1944.

These figures include only reverse lend-lease aid furnished to our forces and to our shipping overseas. They do not include strategic raw materials, commodities, and foodstuffs furnished by the British under reverse lend-lease without cost to us for shipment to the United States.

Under arrangements made in accordance with the agreement announced last November, strategic raw materials and commodities governmentally procured in the United Kingdom and the British Colonial Empire are provided to us as reverse lend-lease. These supplies include crude rubber and tea from Ceylon, cocoa, palm kernels and palm oil, rope fibers, chrome, and asbestos from British Africa, copra from the British Islands of the Pacific and many other commodities needed for the United States war effort. In addition, we are also receiving mica, burlap, jute, and other strategic commodities on reverse lend-lease terms from India.

The volume of reverse lend-lease supplies and services provided to our forces overseas under reverse lend-lease has continued to rise. In the United Kingdom, for example, the figure for the third quarter of 1943 (exclusive of construction and supplies and services provided outside the United Kingdom) was \$120,000,000. In the fourth quarter of 1943 it was \$224,000,000. In the first quarter of 1944 it was \$260,000,000.

In the first quarter of 1944 the expenditures reported by Australia and New Zealand for reverse lend-lease aid to our forces were more than the value of our lend-lease shipments to these two countries in the same period.

¹ Except benzol.

United Kingdom

The following table shows the expenditures reported by the United Kingdom for her reverse lend-lease aid to the United States forces and shipping overseas cumulatively to the end of 1943 and to April 1, 1944.

REVERSE LEND-LEASE AID BY UNITED KINGDOM

	Cumulative to Dec. 31, 1943	Cumulative to Apr. 1, 1944
Goods and services transferred in United Kingdom	\$572,260,000	\$777,790,000
Shipping services	274,040,000 556,140,000	330,460,000 624,650,000
Goods and services transferred outside the United Kingdom	161,200,000	201,500,000
TOTAL	¹ 1,563,640,000	² 1,934,400,000

¹ Revised

(Conversion from pound sterling at \$4.03.)

Table 11

Reverse lend-lease supplies and services from the British, like our lend-lease aid to the British, played a vital role in preparing for the operations for the liberation of Europe. One of the biggest last-minute rush jobs done for us by the British was the waterproofing of many hundreds of our wading tanks, as well as trucks and other mechanized equipment so they would reach the invasion beaches in fighting condition after plowing through the surf.

The job was done for allied mechanized equipment, United States and British alike, by British industry. In order to get it done in time the entire output of Britain's sheet steel rolling industry was taken for three months. To move the finished waterproofing sets from the factories to the hundreds of ordnance depots in the British Isles a great fleet of trucks was kept operating day and night. The waterproofing sets were assembled and installed by British engineers. General Eisen-

² Figures for Jan. 1-Apr. 1, 1944, are preliminary.

hower's headquarters has reported that the quantities of sheet steel used for this pre-invasion job would have been enough for a bridge 150 feet wide across the English Channel from Dover to Calais. The great majority of American wading tanks, as well as British tanks, armored cars, supply trucks, and scout vehicles used in the landings were fitted with this waterproofing equipment.

The waterproofing equipment furnished under reverse lend-lease was only one of many thousands of other categories of supplies and services provided out of British stocks or by British facilities to the American forces taking part in the liberation of Europe. These are a few examples of the scope of this aid:

All rail transportation to the invasion ports; the costs of transporting many U. S. troops on British ships, including the world's two largest liners—the Queen Elizabeth and Queen Mary; 1,100 Spitsires and other British-made planes; more than 100 airfields and other construction for our forces which cost the British \$624,650,000 up to April 1; fresh vegetables and other British-produced foodstuffs that took care of 20 percent of our soldiers' rations; tens of thousands of easily-jettisoned light-weight gas tanks for our P-47 Thunderbolt fighters on long-range missions to the heart of Germany; more than 25,000 miles of steel landing mats; 2,000,000 pairs of wool socks; thousands of parachutes; quantities of howitzers, anti-aircraft and anti-tank equipment; all heat, light, and water bills at our bases and barracks.

So wide is the scope of the reverse lend-lease aid we receive from the British that a U. S. naval base in Britain has been operated for a full 12 months without making a single cash payment.

We have also benefited greatly from British engineering and research in new weapons. No money valuation is put on this type of aid, but it is freely made available to us. For example, rockets based on a British design are now being used by American forces against the Japanese in the Pacific; a British-developed radio set has been widely used in American

tanks built for Britain and Russia; and the jet-propulsion plane uses an engine based on the Whittle design developed in Britain.

Australia

The following table shows the expenditures reported by Australia for her reverse lend-lease aid to United States forces in that area, cumulatively to the end of 1943 and to April 1, 1944.

REVERSE LEND-LEASE AID FROM AUSTRALIA

	Cumulative to Dec. 31, 1943	Cumulative to Apr. 1, 1944
Stores and provisions. Technical equipment. Motor transport. Aircraft stores and equipment. General stores. Transportation and communication. Shipping. Works, buildings, and hirings. Miscellaneous.	8,229,000 31,479,000 35,442,000 43,371,000 28,926,000	\$120,348,000 10,137,000 40,805,000 50,545,000 54,270,000 34,190,000 31,652,000 108,224,000 7,452,000
TOTAL	362,364,000	¹ 457,623,000

¹Figures for Jan. 1-Apr. 1, 1944, are preliminary. (Conversion from Australian pound at \$3.23.)

Table 12

Australia is providing tremendously increased quantities of food to United States forces in the Pacific as reverse lend-lease. In the first three months of 1944 alone our forces in the Pacific theatres received from Australia more than 380,000,000 pounds of food, an annual rate of a billion and a half pounds. In the entire period up to January 1 of this year the total was 500,000,000 pounds. Our men have received from Australia more than 150,000,000 pounds of beef,

veal, lamb, mutton, pork and canned meats; 19,500,000 quarts of fresh milk; 38,800,000 dozens of fresh eggs; and more than 15,000,000 pounds of butter. Transfers of food to April 1, 1944, in pounds, included the following:

Beef and veal	69,440,000
Lamb and mutton	13,440,000
Pork	35,840,000
Canned meats	36,960,000
Miscellaneous meats	4,928,000
Bread, biscuits and cereals (including	
flour)	222,880,000
Potatoes	73,920,000
Fruits and vegetables, fresh	87,360,000
Fruits and vegetables, canned	101,920,000
Fruits and vegetables, dehydrated and	
dried	23,744,000
Butter, fresh	15,232,000
Butter substitutes	9,408,000
Sugar	49,728,000
Milk, condensed and evaporated	39,648,000
Milk, fresh (19,500,000 quarts)	41,925,000
Eggs, fresh (38,800,000 doz.)	58,200,000
TOTAL	884,573,000

New Zealand

Foodstuffs constituted more than one-third of the reverse lend-lease aid provided to United States forces by New Zealand. The cumulative totals through March 31, 1944, as compared with the totals to January 1, 1944, are shown in the following table.

REVERSE LEND-LEASE AID FROM NEW ZEALAND

	Cumulative to Dec. 31, 1943	Cumulative to Apr. 1, 1944
Foodstuffs Equipment and supplies Repairs and services Camps Warehouses Hospitals Miscellaneous building projects Ship construction	\$29,500,000 13,367,000 13,955,000 6,737,000 6,604,000 6,903,000 8,320,000 6,500,000	\$39,704,000 16,317,000 18,277,000 6,738,000 6,606,000 6,904,000 8,322,000 6,500,000
TOTAL	91,886,000	¹ 109,368,000

¹ Figures for Jan. 1-Apr. 1, 1944, are preliminary. (Conversion from New Zealand pound at \$3.25.)

Table 13

United States forces in the South and Southwest Pacific received 456,939,150 pounds of foodstuffs valued at \$39,704,000 from the Government of New Zealand without cost, as reverse lend-lease up to April 1, 1944.

The transfers, in pounds, included the following:

Beef and veal	63,380,000
Lamb and mutton	31,910,000
Pork	18,270,000
Bacon and ham	26,380,000
Meat, canned	42,000,820
Other fresh and processed meat	11,160,000
Butter	24,550,000
Cheese	7,460,000
Milk and cream	14,667,000
Milk, evaporated	16,120,000
Other dairy products	8,000,5 6 0
Potatoes	43,000,000
Other fresh vegetables	43,560,000
Vegetables, canned	13,820,000

SugarOther foodstuffs	41,000,770
TOTAL	456,939,150

Over 90 percent of all the food consumed by the American forces in the South and Southwest Pacific is provided by Australia and New Zealand without cost, under reverse lend-lease. Because of this, hundreds of thousands of tons of shipping space have been saved for the transport of munitions and other war matériel from the United States to the Pacific war theatre and it has been possible to allocate more of our own food supply to American civilians.

REVERSE LEND-LEASE FROM OTHER COUNTRIES Soviet Union

The Soviet Union, which fought until this summer on her own soil, has needed virtually all she could produce for her own forces. Moreover, until this year no United States < forces were stationed on Soviet territory and the occasion for reverse lend-lease aid did not arise, except in connection with supplies, repairs, and other services provided as reverse lend-lease for United States merchant ships in Soviet ports. With the establishment of the shuttle-bombing bases in Russia, the Soviet Union has provided our Air Forces, as reverse lend-lease aid without cost to us, with much of the equipment, supplies, and services needed for these bases. This aid has included many of the materials and most of the labor used in building the bases, part of the equipment, much of the food for our Air Force crews and mechanics, and many other operational supplies and services.

China

China has been fighting the Japanese on her own soil for seven years. She has needed more aid than we have up to now been able to send her by the single air route that connects her with the outside world. Nevertheless the Chinese people have rendered heroic and effective aid to our forces in China, although technically this help is not classified as reverse lend-lease.

The bases in China from which our B-29 Super Fortresses take off to raid Japan were built by 400,000 Chinese laborers, working with their bare hands. There was virtually no equipment in China for building these bases, nor could it be brought in from outside by air. The airfields were built by hand-labor. The Chinese hauled by hand 160,000 tons of rock and sand to build the runways needed for the planes, crushed the rock by hand and laid it stone by stone, then smoothed the surface by hand-hauled stone rollers. They built so effectively that within three months of the time construction started, the first of the B-29's was able to land in China.

The many bases used by General Chennault's Fourteenth Air Force in China were built in the same fashion. And the success of the operations of our Air Force in China depends in large part on China's grapevine air-raid warning system on the approach of Japanese planes. This system extends by underground connections into the Japanese-occupied areas of China. In spite of the lack of modern communication equipment, it is one of the fastest and most efficient in the world.

France

The French are providing many supplies and services to United States forces in the Mediterranean theatre as reverse lend-lease, including thousands of tons of grains, fresh fruits and vegetables, and other foodstuffs produced in French Africa. The estimated dollar value of this reverse lend-lease aid to us was already \$30,000,000 by the first of this year. Later figures are not yet available.

Chapter 4

STATISTICAL TABLES AND CHARTS AMOUNTS OF LEND-LEASE AID AUTHORIZED!

The amount of lend-lease aid that may be provided under the various acts is summarized as follows:

1. Lend-Lease Appropriations to the President

First Lend-Lease Appropriation Second Lend-Lease Appropriation Third Lend-Lease Appropriation Fourth Lend-Lease Appropriation Fifth Lend-Lease Appropriation	5,985,000,000 5,425,000,000 6,273,629,000
Total	28,222,498,000

II. Transfers Authorized From Other Appropriations

Direct appropriations have been made to the War and Navy Departments and to the Maritime Commission for the procurement of items which are in the main common to the uses of our own armed forces and those of our allies. These items when produced can be used, in other words, by our own armed forces or those of our allies in the manner in which they can be most effective in defeating our common enemies. It is not until they are ready for distribution that they are allocated by the military experts in accordance with the strategic needs. The Appropriation Acts in question authorize transfers to our allies up to stated amounts under the Lend-Lease Act. That does not mean that transfers up to the stated amounts have to or will necessarily be made. All that it means is that there is sufficient flexibility for the military experts to assign the supplies where they will do the most good in winning the war.

117	Department:	
war	Lebartment:	

Third Supplemental, 1942	\$2,000,000,000
Fourth Supplemental, 1942	4,000,000,000
Fifth Supplemental, 1942	11,250,000,000
Sixth Supplemental, 1942	2,220,000,000
Military Appropriation Act, 1943	12,700,000,000
Navy Department—Second Supplemental, 1943	3,000,000,000
Departments other than War—Third Supplemental, 1942	800,000,000

Note: In addition to the foregoing, Congress has with certain limitations authorized the leasing of ships of the Navy and merchant ships constructed with funds appropriated to the Maritime Commission without any numerical limitation as to the dollar value or the number of such ships which may be so leased. (See for example, Public Law 1, 78th Congress, approved February 19, 1943, and Public Law 11, 78th Congress, approved March 18, 1943.)

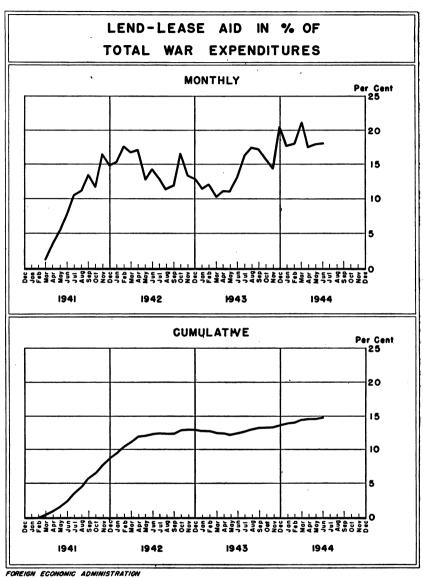


Chart 9

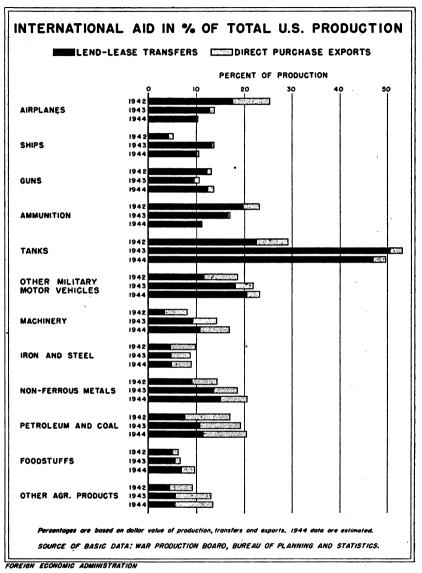


Chart 10

LEND-LEASE AID

Millions of Dollars

	Monthly		Cumulative			
	Goods	Services	Total	Goods	Services	Total
Mar 1941 Apr May Jun Jul Aug Sep Oct Nov Dec	6 20 35 41 73 95 144 131 165 200	4 8 10 22 28 31 37 50 70	10 28 45 63 101 126 181 181 235 274	6 26 61 102 175 270 414 545 710 910	4 12 22 44 72 103 140 190 260 334	10 38 83 146 247 373 554 735 970 1,244
Jan 1942 Feb Mar Apr May Jun Jul Sep Oct Nov Dec	220 260 362 455 394 459 504 446 544 680 620 694	102 128 106 99 55 89 91 114 99 235 190	322 388 468 554 449 548 595 560 643 915 810 757	1,130 1,390 1,752 2,207 2,601 3,060 3,564 4,010 4,554 5,234 5,854 6,548	436 564 670 769 824 913 1,004 1,118 1,217 1,452 1,642 1,705	1,566 1,954 2,422 2,976 3,425 3,973 4,568 5,128 5,771 6,686 7,496 8,253
Jan 1943 Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec	627 656 663 720 716 954 1,018 1,114 1,121 1,028 971 1,300	55 41 24 63 74 77 32 148 76 73 105	682 697 687 783 790 1,031 1,050 1,262 1,197 1,101 1,076 1,377	7,175 7,831 8,494 9,214 9,930 10,884 11,902 13,016 14,137 15,165 16,136 17,436	1,760 1,801 1,825 1,888 1,962 2,039 2,071 2,219 2,295 2,368 2,473 2,550	8,935 9,632 10,319 11,102 11,892 12,923 13,973 15,235 16,432 17,533 18,609 19,986
Jan 1944 Feb Mar Apr May Jun	1,214 1,124 1,406 1,266 1,161 1,212	45 226 224 18 238 150	1,259 1,350 1,630 1,284 1,399 1,362	18,650 19,774 21,180 22,446 23,607 24,819	2,595 2,821 3,045 3,063 3,301 3,451	21,245 22,595 24,225 25,509 26,908 28,270

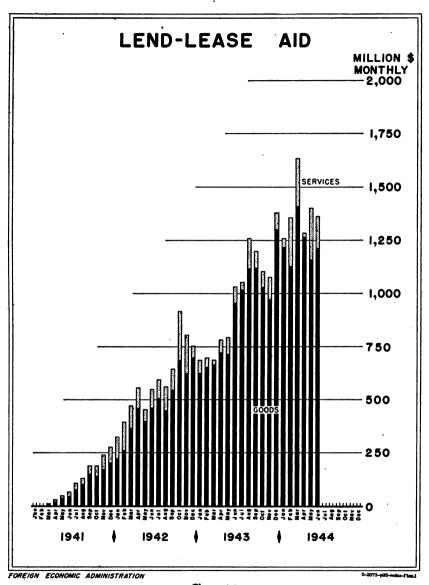


Chart 11

BREAK-DOWN OF LEND-LEASE AID

Category	Mar. 1941– June 1942	July 1942– June 1943	July 1943– June 1944	Total
Munitions (Including Ships) Industrial Materials & Products Agricultural Products Services	Percent 33.7 22.1 21.2 23.0	Percent 54.3 21.7 11.5 12.5	Percent 58.4 20.9 11.5 9.2	Percent 53.6 21.3 12.9 12.2
Total	100.0	100.0	100.0	100.0

Table 16

GOODS CONSIGNED TO U. S. COMMANDING GENERALS, IN THE FIELD, FOR SUBSEQUENT TRANSFER UNDER LEND-LEASE TO FOREIGN GOVERNMENTS AS OF JUNE 30, 1944

Thousands of Dollars

Category	French Forces in North and West Africa	China	Other Countries	Total
Ordnance and Ammunition Aircraft and Parts Tanks and Other Vehicles Miscellaneous Supplies Total	56,209 196,534	140,946 63,482 22,574 227,002	8,534 101 3,318 18,917 30,870	223,809 56,310 263,334 134,788 678,241

Table 17

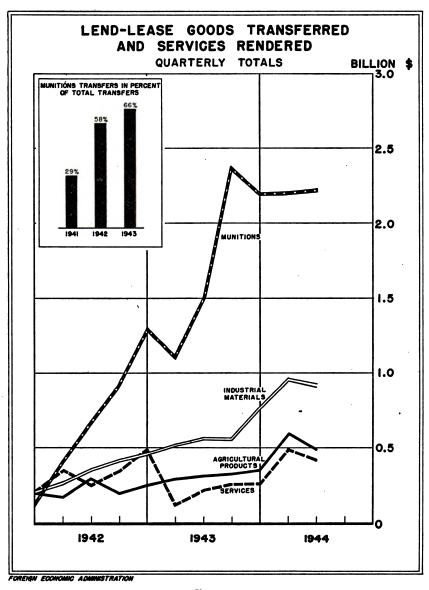


Chart 12

LEND-LEASE EXPORTS TO ALL COUNTRIES

Thousands of Dollars

Country	Mar. 1941– June 1942	July 1942– June 1943	July 1943— June 1944	Total
United Kingdom U. S. S. R Africa, Middle East &	1,404,241 511,115	3,058,785 1,931,077	4,858,523 3,489,752	9,321,549 5,931,944
Mediterranean Area China and India Australia and New	288,344 174,151	1,139,590 430,582	1,642,895 797,693	3,070,829 1,402,426
Zealand Latin America Other Countries	101,563 9,277 86,296	428,624 74,695 250,476	481,698 87,998 287,495	1,011,885 171,970 624,267
Total	2,574,987	7,313,829	11,646,054	21,534,870

Percentage Distribution

Country	Mar. 1941- June 1942	July 1942- June 1943	July 1943– June 1944	Total
United Kingdom U. S. S. R Africa, Middle East &	54.5 19.8	41.8 26.4	41.7 30.0	43.3 27.5
Mediterranean Area China and India Australia and New	11.2 6.8	15.6 5.9	14.1 6.8	14.3 6.5
Zealand	3.9 0.4 3.4	5.9 1.0 3.4	4.1 0.8 2.5	4.7 0.8 2.9
Total	100.0	100.0	100.0	100.0

Table 18

LEND-LEASE EXPORTS-MONTHLY

Millions of Dollars

	United Kingdom	U. S. S. R.	Africa, Middle East, and Mediter- ranean Area	China, India, Australia, and New Zealand	Other Countries	Total
Mar 1941					1	1
Apr	1				4	5
May	9		5	1	1 1	16
Jun	26		6	1	2	35
Jul	49	• • • • • • •	19 14	1 5	3	72 67
Aug Sep	46 74		7	2	2 3	86
Oct	142		12	12	1	167
Nov	107		10	18	2	137
Dec	119	1	23	12		155
Jan 1942	105	15	24	18	13	175
Feb	79	55	26	22	12	194
Mar	149	97	25	47	11	329
Apr	144	164	45	55	17	425
May	144	70	37	47	8	306 405
Jun	210	110 103	35 66	36 59	14 21	405 424
Jul	175 152	150	58	56	18	434
Aug Sep	214	102	71	67	18	472
Oct	223	128	98	82	31	562
Nov	203	191	95	54	18	561
Dec	207	166	112	97	25	607
Jan 1943	178	167	94	75	21	535
Feb	222	185	45	49	27	528
Mar	310	211	1,33	67	56	777
Apr	352	210	117	67	29 37	775 848
May	400 424	177 140	151 100	83 101	25	790
Jun Jul	401	232	221	146	32	1,032
Aug	371	313	164	113	25	986
Sep	398	303	190	81	32	1,004
Oct	364	263	165	128	32	952
Nov	271	344	121	88	3 3	857
Dec	383	382	107	116	34	1,022
Jan 1944	341	313	113	92	32	891
Feb	411	233	122	77	35	878
Mar	436	261	90	89 90	37 28	913 942
Apr	447	249 316	128 131	130	28 22	1,159
May Jun	560 474	281	91	130	34	1,011
TOTAL EX-			71			- 1,011
PORTS	9,321	5,932	3,071	2,415	796	21,535

Table 19

LEND-LEASE EXPORTS

March 1941 through June 30, 1944

Millions of Dollars

Category	United Kingdom	U. S. S. R.	Africa, Middle East, and Mediterranean Area	China, India, Australia, and New Zealand	Other Countries	Total
MUNITIONS						
Ordnance Ammunition Aircraft and Parts Tanks and Parts Motor Vehicles and Parts Watercraft	471 975 1,507 764 481 211	1,181 318	351 690 529	211 606	72	2,044 4,374 1,816 2,113
Total Munitions	4,409	3,177	2,285	1,520	673	12,064
INDUSTRIAL MATERIALS AND PRODUCTS						
Machinery	458 664 732 429	596 42	171 65	192 226 162 178		1,684 1,009
Total Industrial	2,283	1,729	590	758	96	5,456
AGRICULTURAL PRODUCTS						
FoodstuffsOther Agric. Products	2,144 485	'915 111	181 15	105 32	23 4	3,368 647
Total Agric. Products	2,629	1,026	196	137	27	4,015
TOTAL EXPORTS	9,321	5,932	3,071	2,415	79 6	21,535

Table 20

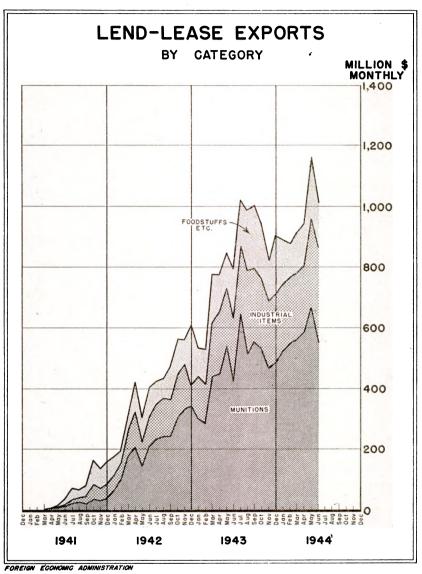


Chart 13

TRANSFERS OF WATERCRAFT UNDER LEND-LEASE

As of June 30, 1944

Thousands of Dollars

Type of Ship	United Kingdom	U. S. S. R.	Other Countries	Total
Combatant	87,062 1,522,965 693,899	49,967	11,918 84,895 70,678	105,934 1,657,827 878,015
Total	2,303,926	170,359	167,491	2,641,776

Table 21

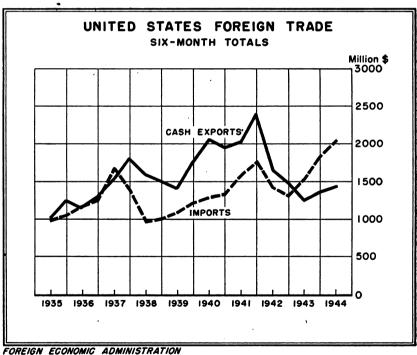


Chart 14

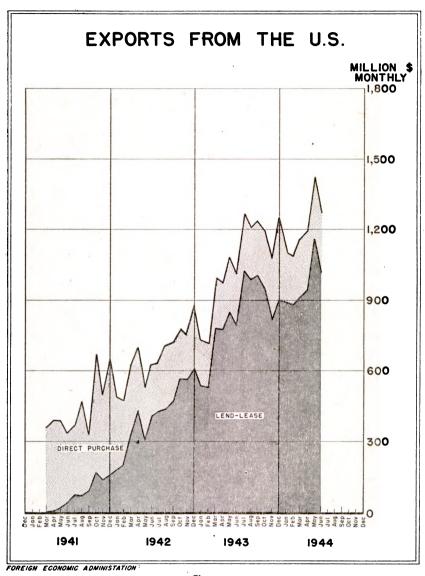


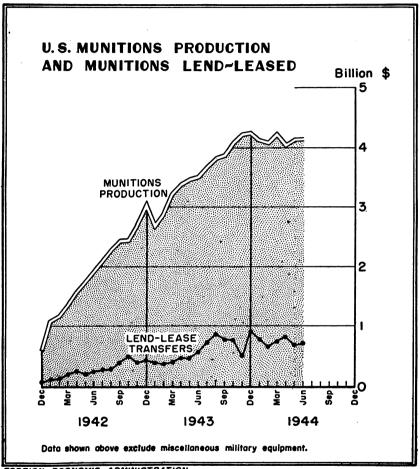
Chart 15

LEND-LEASE FOOD SHIPMENTS IN RELATION TO SUPPLY AND TO U. S. CIVILIAN POPULATION

Commodity	Exports i of Su	n Percent Ipply	Exports in Ounces per Week per United States Civilian			
	Year	JanJune	Year	JanJune		
	1943	1944	1943	1944		
All Meats (Dressed Weight Basis). Beef and Veal	9.3	8.2	5.7	5.6		
	1.7	1.0	0.4	0.3		
	11.2	11.3	0.3	0.3		
	14.6	12.8	5.0	5.0		
	3.8	3.2	11.4	9.9		
	14.4	14.2	0.05	0.05		
Dry Skim Milk	40.9	23.7	0.6	0.3		
	13.0	11.5	1.3	1.1		
	4.1	1.8	0.2	0.1		
	14.3	19.2	0.4	0.6		
	12.4	12.9	2.4	2.6		
	16.6	13.3	2.9	2.3		
	26.5	9.8	0.6	0.2		
Canned Fruits and Juices Dried Fruits Vegetables:	7.4	7.9	0.8	1.0		
	19.2	26.8	0.7	0.9		
Canned Vegetables Dried Beans Dried Peas Corn and Corn Products (Grain	1.5	3.9	0.3	0.7		
	11.3	9.8	0.8	0.7		
	9.4	14.8	0.3	0.4		
Equiv.)	0.1	0.1 1.1	1.1 2.7	0.6 3.0		

^{*}Includes Carter's Spread (butter content).

Table 22



FOREIGN ECONOMIC ADMINISTRATION
Chart 16

STATUS OF NATIONS Lend-Lease Countries and United Nations

Country	Declared Eligible for Lend-Lease Aid	Lend-Lease Agreement Signed	Reciprocal Aid Agree- ment Signed	United Nations Declaration Signed	Earliest Date of Existence of State of War With Any Axis	Earliest Date of Severance of Diplomatic Relations With Any
						Axis Power
Argentina	6,			•		Jan. 26, 1944
Australia	.11,	Ð	Sept. 3, 1942			•
Belgium.	13,	16,		٦,	o,	:
Bolivia	જે		•	Apr. 27, 1943	Apr. 7, 1943	Jan. 28, 1942
Brazil	જે	ش		Ó	22,	28,
Canada	11,	Đ		<u>_</u>	2	` :
Chile	ર્જ	ų			•	Jan. 20, 1943
China	`ν΄	,بر ا		-i	6	
Colombia	, δ,	17,		17,	77	Dec. 8, 1941
Costa Rica	6	16,		ı,	ထ်	
Cuba	φ,	7,		<u>-</u>	Ś	:
Czechoslovakia	Ś	Ξ		ı,	Ś	
Dominican Republic	જ	Aug. 2, 1941		Jan. 1, 1942	Dec. 8, 1941	:
Ecuador	જે	જ				Jan. 29, 1942
Egypt	Ξ,	:				س
El Salvador	જ	Feb. 2, 1942		Jan. 1, 1942	ထ်	
Ethiopia	7,	Q,	:	July 28, 1942	Dec. 1, 1942	
French Committee of National	ΞŢ	:	Sept. 3, 1942		ب	:
Liberation 8	13,	. 25,	22,	:	•	
Greece	Ξ,	10,	•	Jan. 1, 1942	Oct. 28, 1940	
Guatemala	o,	. 16,		L,	∞ ົ	
Haiti	જે	. 16,		–	φ ົ	
Honduras	May 6, 1941	Feb. 28, 1942		ť	∞	
Iceland	Ļ	. 21,				:

•											•					
	က်	7	Oct. 2, 1942		Dec. 19, 1941						28.]	Jan. 24, 1942			Date uncer-	tain.
3,	9	16,]	27, 1944	10,	2,	10,1	ر در	∞	9					1, 1939	:	
Sept	Sept	Jan.	Jan.	May	May	May	Sept	D.	Apr.	Ď.	:	:		Sept.	:	
_	_	_	10, 1944	_	_	_	_	_	_	_		:	10,	1, 1942		
Jan.	Sept.	Jan.	Apr.	Jan.	June	Jan.	Jan.	Jan.	Jan.	Jan.	: : :	:	June	Jan.	:	
			Apr. 10, 1944		:	June 14, 1943	ښ	· :								
			8, 1943		18,	ထ်	Đ	16, 1941	Ξ	-:	2	11,		1, 1942		
:	:	:	June	:	Mar	July		Ö Ö	July	:	Sept	Mar	:	July	:	
_	_	_	10, 1942	•	_	_	_	_	_	$\overline{}$	$\overline{}$	6, 1941		28, 1941	_	
Nov.	Mar.	May	Mar.	:	May	Aug.	Nov.	May	June	May	May	May	:	Aug.	Feb.	
India	Iran	Iraq	Liberia	Luxembourg	Mexico	Netherlands.	New Zealand	Nicaragua	Norway	Panama	Paraguay	Peru	Philippines	Poland	Saudi Arabia	

Yugoslavia
¹ No Master Lead-Lease Agreement has been concluded with either Australia or New Zealand; but in the Reciprocal Aid Agreements entered into with these countries, they accepted the principles of the Lead-Lease Agreement with the United Kingdom as applicable to their lend-lease relations with the United States

13, 1942 18, 1942 11, 1942

anc Mar.

7, 1941

U. S. S. R.

Venezuela Uruguay

United States....

6, 1941 6, 1941

Nov. May May

25, 1942 31, 1941

Jan.

June

1, 1942 1, 1942 1, 1942

Aug. 2. 1944

3, 1939 7, 1941

Jan. an.

Feb. 23, 1942 | Sept. 3, 1942 |

1, 1942 | Sept. 6, 1939 |

......Jan.

Nov. 11, 1941 Nov. 7, 1941

Mar. 11, 1941

² Colombia declared a state of belligerency

aid agreement was entered into with the Committee on September 3, 1942. French North and West Africa were declared eligible to receive lend-lease aid on November 13, 1942. On September 25, 1943, a Lend-Lease Modus Vivendi Agreement governing lend-lease aid and reciprocal aid was entered into with the French Committee of National Liberation, successor to the French National Committee and to the Haut Commandement en Chef Civile et Militaire established ⁸ Territory under the jurisdiction of the French National Committee was declared eligible to receive lend-lease aid on November 11, 1941, and a reciprocal in French North and West Africa after the events of November 1942.

* In an exchange of notes dated November 30, 1942, Canada accepted the underlying principles of Article VII of the Master Agreement.

South Africa.... United Kingdom.

APPENDICES

Appendix 1

LEND-LEASE ACT

Further to promote the defense of the United States, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "An Act to Promote the Defense of the United States."

Section 2

As used in this Act-

- (a) The term "defense article" means—
 - (1) Any weapon, munition, aircraft, vessel, or boat;
 - (2) Any machinery, facility, tool, material, or supply necessary for the manufacture, production, processing, repair, servicing, or operation of any article described in this subsection;
 - (3) Any component material or part of or equipment for any article described in this subsection:
 - (4) Any agricultural, industrial, or other commodity or article for defense.

Such term "defense article" includes any article described in this subsection manufactured or procured pursuant to section 3, or to which the United States or any foreign government has or hereafter acquires title, possession, or control.

(b) The term "defense information" means any plan, specification, design, prototype, or information pertaining to any defense article.

Section 3

- (a) Nothwithstanding the provisions of any other law, the President may, from time to time, when he deems it in the interest of national defense, authorize the Secretary of War, the Secretary of the Navy, or the head of any other department or agency of the Government—
 - (1) To manufacture in arsenals, factories, and shipyards under their jurisdiction, or otherwise procure, to the extent to which funds are made available therefor, or contracts are authorized from time to time by the Congress, or both, any defense article for the government of any

country whose defense the President deems vital to the defense of the United States.

- (2) To sell, transfer title to, exchange, lease, lend, or otherwise dispose of, to any such government, any defense article, but no defense article not manufactured or procured under paragraph (1) shall in any way be disposed of under this paragraph except after consultation with the Chief of Staff of the Army or the Chief of Naval Operations of the Navy, or both. The value of defense articles disposed of in any way under authority of this paragraph, and procured from funds heretofore appropriated, shall not exceed \$1,300,000,000. The value of such defense articles shall be determined by the head of the department or agency concerned or such other department, agency, or officer as shall be designated in the manner provided in the rules and regulations issued hereunder. Defense articles procured from funds hereafter appropriated to any department or agency of the Government, other than from funds authorized to be appropriated under this Act, shall not be disposed of in any way under authority of this paragraph except to the extent hereafter authorized by the Congress in the Acts appropriating such funds or otherwise.
- (3) To test, inspect, prove, repair, outfit, recondition, or otherwise to place in good working order, to the extent to which funds are made available therefor, or contracts are authorized from time to time by the Congress, or both, any defense article for any such government, or to procure any or all such services by private contract.

(4) To communicate to any such government any defense information, pertaining to any defense article furnished to such government under paragraph (2) of this subsection.

(5) To release for export any defense article disposed of in any way under this subsection to any such government.

(b) The terms and conditions upon which any such foreign government receives any aid authorized under subsection (a) shall be those which the President deems satisfactory, and the benefit to the United States may be payment or repayment in kind or property, or any other direct or indirect benefit which the President deems satisfactory.

(c) After June 30, 1945, or after the passage of a concurrent resolution by the two Houses before June 30, 1945, which declares that the powers conferred by or pursuant to subsection (a) are no longer necessary to promote the defense of the United States, neither the President nor the head of any department or agency shall exercise any of the powers conferred by or pursuant to subsection (a); except that until July 1, 1948, any of such powers may be exercised to the extent necessary to carry out a contract or agreement with such a foreign government made before July 1, 1945, or before the passage of such concurrent resolution, whichever is the earlier.

(d) Nothing in this Act shall be construed to authorize or to permit the authorization of convoying vessels by naval vessels of the United States.

(e) Nothing in this Act shall be construed to authorize or to permit the authorization of the entry of any American vessel into a combat area in violation of section 3 of the Neutrality Act of 1939.

Section 4

All contracts or agreements made for the disposition of any defense article or defense information pursuant to section 3 shall contain a clause by which the foreign government undertakes that it will not, without the consent of the President, transfer title to or possession of such defense articles or defense information by gift, sale, or otherwise, or permit its use by anyone not an officer, employee, or agent of such foreign government.

Section 5

- (a) The Secretary of War, the Secretary of the Navy, or the head of any other department or agency of the Government involved shall, when any such defense article or defense information is exported, immediately inform the department or agency designated by the President to administer section 6 of the Act of July 2, 1940 (54 Stat. 714), of the quantities, character, value, terms of disposition, and destination of the article and information so exported.
- (b) The President, from time to time, but not less frequently than once every ninety days, shall transmit to the Congress a report of operations under this Act except such information as he deems incompatible with the public interest to disclose. Reports provided for under this subsection shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session.

Section 6

- (a) There is hereby authorized to be appropriated from time to time, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to carry out the provisions and accomplish the purposes of this Act.
- (b) All money and all property which is converted into money received under section 3 from any government shall, with the approval of the Director of the Budget, revert to the respective appropriation or appropriations out of which funds were expended with respect to the defense article or defense information for which such consideration is received, and shall be available for expenditure for the purpose for which such expended funds were appropriated by law, during the fiscal year in which such funds are received and the ensuing fiscal year; but in no event shall any funds so received be available for expenditure after June 30, 1948.

Section 7

The Secretary of War, the Secretary of the Navy, and the head of the department or agency shall, in all contracts or agreements for the disposition of any defense article or defense information, fully protect the rights of all citizens of the United States who have patent rights in and to any such article or information which is hereby authorized to be disposed of and the payments collected for royalties on such patents shall be paid to the owner and holders of such patents.

Section 8

The Secretaries of War and of the Navy are hereby authorized to purchase or otherwise acquire arms, ammunition, and implements of war produced within the jurisdiction of any country to which section 3 is applicable, whenever the President deems such purchase or acquisition to be necessary in the interests of the defense of the United States.

Section 9

The President may, from time to time, promulgate such rules and regulations as may be necessary and proper to carry out any of the provisions of this Act; and he may exercise any power or authority conferred on him by this Act through such department, agency, or officer as he shall direct.

Section 10

Nothing in this Act shall be construed to change existing law relating to the use of the land and naval forces of the United States, except insofar as such use relates to the manufacture, procurement, and repair of defense articles, the communication of information and other noncombatant purposes enumerated in this Act.

Section 11

If any provision of this Act or the application of such provision to any circumstance shall be held invalid, the validity of the remainder of the Act and the applicability of such provision to other circumstances shall not be affected thereby.

* * *

On March 11, 1943, after affirmative votes of 407-6 in the House of Representatives and 82-0 in the Senate the President signed the Act extending the Lend-Lease Act until July 1, 1944.

On April 19, 1944, by vote of 344-21, the House of Representatives voted to extend the Lend-Lease Act until July 1, 1945, with the following amendment to Section 3 (b) of the Act as follows (new matter in italics):

"The terms and conditions upon which any such foreign government receives any aid authorized under subsection (a) shall be those which the President deems satisfactory, and the benefit to the United States may be payment or repayment in kind or property, or any other direct or indirect benefit which the President deems satisfactory: Provided, however, That nothing in this paragraph shall be construed to authorize the President in any final settlement to assume or incur any obligations on the part of the United States with respect to post-war economic policy, post-war military policy, or any post-war policy involving international relations except in accordance with established constitutional procedure."

On May 8, 1944, by vote of 63-1, the Senate also voted to extend the Act, with the same amendment as that adopted by the House except for deletion of the words "in any final settlement." On May 12 the House concurred in this change made by the Senate. On May 17 the President signed the Act.

Appendix II

BRITISH MASTER AGREEMENT

Agreement Between the Governments of the United States of America and of the United Kingdom on the Principles Applying to Mutual Aid in the Prosecution of the War Against Aggression, Authorized and Provided for by the Act of March 11, 1941.

Whereas the Governments of the United States of America and the United Kingdom of Great Britain and Northern Ireland declare that they are engaged in a cooperative undertaking, together with every other nation or people of like mind, to the end of laying the bases of a just and enduring world peace securing order under law to themselves and all nations;

And whereas the President of the United States of America has determined, pursuant to the Act of Congress of March 11, 1941, that the defense of the United Kingdom against aggression is vital to the defense of the United States of America;

And whereas the United States of America has extended and is continuing to extend to the United Kingdom aid in resisting aggression;

And whereas it is expedient that the final determination of the terms and conditions upon which the Government of the United Kingdom receives such aid and of the benefits to be received by the United States of America in return therefor should be deferred until the extent of the defense aid is known and until the progress of events makes clearer the final terms and conditions and benefits which will be in the mutual interests of the United States of America and the United Kingdom and will promote the establishment and maintenance of world peace;

And whereas the Governments of the United States of America and the United Kingdom are mutually desirous of concluding now a preliminary agreement in regard to the provision of defense aid and in regard to certain considerations which shall be taken into account in determining such terms and conditions and the making of such an agreement has been in all respects duly authorized, and all acts, conditions and formalities which it may have been necessary to perform, fulfill, or execute prior to the making of such an agreement in conformity with the laws either of the United States of America or of the United Kingdom have been performed, fulfilled, or executed as required;

The undersigned, being duly authorized by their respective Governments for that purpose, have agreed as follows:

Article 1

The Governments of the United States of America will continue to supply the Government of the United Kingdom with such defense articles, defense services, and defense information as the President shall authorize to be transferred or provided.

Article II

The Government of the United Kingdom will continue to contribute to the defense of the United States of America and the strengthening thereof and will provide such articles, services, facilities of information as it may be in a position to supply.

Article III

The Government of the United Kingdom will not without the consent of the President of the United States of America transfer title to, or possession of, any defense article or defense information transferred to it under the Act or permit the use thereof by anyone not an officer, employee, or agent of the Government of the United Kingdom.

Article IV

If, as a result of the transfer to the Government of the United Kingdom of any defense article or defense information, it becomes necessary for that Government to take any action or make any payment in order fully to protect any of the rights of a citizen of the United States of America who has patent rights in and to any such defense article or information, the Government of the United Kingdom will take such action or make such payment when requested to do so by the President of the United States of America.

Article V

The Government of the United Kingdom will return to the United States of America at the end of the present emergency, as determined by the President, such defense articles transferred under this Agreement as shall not have been destroyed, lost, or consumed and as shall be determined by the President to be useful in the defense of the United States of America or of the Western Hemisphere or to be otherwise of use to the United States of America.

Article VI

In the final determination of the benefits to be provided to the United States of America by the Government of the United Kingdom full cognizance shall be taken of all property, services, information, facilities, or other benefits or considerations provided by the Government of the United Kingdom subsequent to March 11, 1941, and accepted or acknowledged by the President on behalf of the United States of America.

Article VII

In the final determination of the benefits to be provided to the United States of America by the Government of the United Kingdom in return for aid furnished under the Act of Congress of March 11, 1941, the terms and conditions thereof shall be such as not to burden commerce between the two countries, but to promote mutually advantageous economic relations between them and the betterment of world-wide economic relations. that end, they shall include provision for agreed action by the United States of America and the United Kingdom, open to participation by all other countries of like mind, directed to the expansion, by appropriate international and domestic measures, of production, employment, and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples; to the elimination of all forms of discriminatory treatment in international commerce, and to the reduction of tariffs and other trade barriers; and, in general, to the attainment of all the economic objectives set forth in the Joint Declaration made on August 12, 1941, by the President of the United States of America and the Prime Minister of the United Kingdom.

At an early convenient date, conversations shall be begun between the two Governments with a view to determining, in the light of governing economic conditions, the best means of attaining the above-stated objectives by their own agreed action and of seeking the agreed action of other like-minded Governments.

Article VIII

This Agreement shall take effect as from this day's date. It shall continue in force until a date to be agreed upon by the two Governments.

Signed and sealed at Washington in duplicate this 23d day of February,

For the Government of the United States of America:

[SEAL]

SUMNER WELLES,
Acting Secretary of State of the
United States of America.

For the Government of the United Kingdom of Great Britain and Northern Ireland:

[SEAL]

HALIFAX

His Majesty's Ambassador Extraordinary and Plenipotentiary at Washington.

☆ ☆ ☆

Identical Master Lend-Lease Agreements have been signed with the following countries: Belgium, China, Czechoslovakia, Ethiopia, Greece, Liberia, The Netherlands, Norway, Poland, Union of Soviet Socialist Republics, and Yugoslavia. Australia and New Zealand have accepted the principles of the Master Agreements.

Appendix III

RECIPROCAL AID AGREEMENTS

Reciprocal aid agreements with United Kingdom, Australia, New Zealand, and Fighting France were concluded September 3, 1942, by the following exchanges of notes. The first three agreements were signed in Washington and the agreement with Fighting France was signed in London.

Agreement With United Kingdom

The Honorable Cordell Hull,

Secretary of State, United States Department of State,

Washington, D. C.

Sir: In the United Nations declaration of January 1, 1942, the contracting governments pledged themselves to employ their full resources, military or economic, against those nations with which they are at war and in the Agreement of February 23, 1942, each contracting government undertook to provide the other with such articles, services, facilities, or information useful in the prosecution of their common war undertaking as each may be in a position to supply. It is further the understanding of the Government of the United Kingdom of Great Britain and Northern Ireland that the general principle to be followed in providing mutual aid as set forth in the said Agreement of February 23, 1942, is that the war production and the war resources of both Nations should be used by the armed forces of each and of the other United Nations in ways which most effectively utilize the available materials, manpower, production facilities, and shipping space.

With a view, therefore, to supplementing Article 2 and Article 6 of the Agreement of February 23, 1942, between our two Governments for the provision of reciprocal aid, I have the honour to set forth below the understanding of the Government of the United Kingdom of Great Britain and Northern Ireland of the principles and procedures applicable to the provision of aid by the Government of the United Kingdom of Great Britain and Northern Ireland to the armed forces of the United States and the manner in which such aid will be correlated with the maintenance of those forces by the United States Government.

1. While each Government retains the right of final decision, in the light of its own potentialities and responsibilities, decisions as to the most effective use of resources shall, so far as possible, be made in common, pursuant to common plans for winning the war.

2. As to financing the provision of such aid, within the fields mentioned below, it is the understanding of the Government of the United Kingdom of Great Britain and Northern Ireland that the general principle to be applied, to the point at which the common war effort is most effective, is that as large a portion as possible of the articles and services which each Government may authorize to be provided to the other shall be in the form of reciprocal aid so that the need of each Government for the currency of the other may be reduced to a minimum.

It is accordingly the understanding of the Government of the United Kingdom of Great Britain and Northern Ireland that the United States Government will provide, in accordance with the provisions of, and to the extent authorized under, the Act of March 11, 1941, the share of its war production made available to the United Kingdom. The Government of the United Kingdom will provide on the same terms and as reciprocal aid so much of its war production made available to the United States as it authorizes in accordance with the Agreement of February 23, 1942.

3. The Government of the United Kingdom will provide the United States or its armed forces with the following types of assistance as such reciprocal aid, when it is found that they can most effectively be procured

in the United Kingdom or in the British Colonial Empire:

(a) Military equipment, munitions, and military and naval stores.

(b) Other supplies, materials, facilities, and services for the United States forces, except for the pay and allowances of such forces, administrative expenses, and such local purchases as its official establishments may make other than through the official establishments of the Government of the United Kingdom as specified in paragraph 4.

(c) Supplies, materials, and services needed in the construction of military projects, tasks, and similar capital works required for the common war effort in the United Kingdom or in the British Colonial Empire, except for the wages and salaries of United States citizens.

- (d) Supplies, materials, and services needed in the construction of such military projects, tasks, and capital works in territory other than the United Kingdom or the British Colonial Empire or territory of the United States to the extent that the United Kingdom or the British Colonial Empire is a more practicable source of supply than the United States or another of the United Nations.
- 4. The practical application of the principles formulated in this note, including the procedure by which requests for aid by either Government are made and acted upon, shall be worked out as occasion may require by agreement between the two Governments, acting when possible through their appropriate military or civilian administrative authorities. Requests by the United States Government for such aid will be presented by duly authorized authorities of the United States to official agencies of the United Kingdom which will be designated or established in London and in the areas where United States forces are located for the purpose of facilitating the provision of reciprocal aid.
- 5. It is the understanding of the Government of the United Kingdom of Great Britain and Northern Ireland that all such aid, as well as other aid, including information, received under Article 6 of the Agreement of February 23, 1942, accepted by the President of the United States or his authorized representatives from the Government of the United Kingdom will be received as a benefit to the United States under the Act of March 11, 1941. Insofar as circumstances will permit, appropriate record of aid received under this arrangement, except for miscellaneous facilities and services, will be kept by each Government.

If the Government of the United States concurs in the foregoing, I would suggest that the present note and your reply to that effect be regarded as placing on record the understanding of our two Governments in this matter.

I have the honour to be, with the highest consideration, Sir, your most

obedient, humble servant,

HALIFAX.

September 3, 1942

His Excellency the Right Honorable The Viscount Halifax, K. G., British Ambassador.

EXCELLENCY: I have the honor to acknowledge the receipt of Your Excellency's note of today's date concerning the principles and procedures applicable to the provision of aid by the Government of the United Kingdom of Great Britain and Northern Ireland to the armed forces of the United States of America.

In reply I wish to inform you that the Government of the United States agrees with the understanding of the Government of the United Kingdom of Great Britain and Northern Ireland as expressed in that note. In accordance with the suggestion contained therein, your note and this reply will be regarded as placing on record the understanding between our two Governments in this matter.

This further integration and strengthening of our common war effort gives me great satisfaction.

Accept, Sir, the renewed assurances of my highest consideration.

CORDELL HULL,

Secretary of State of the United States of America.

September 3, 1942

Agreement With Australia

The Honorable Cordell Hull,

Secretary of State, Washington, D. C.

Sir: As contracting parties to the United Nations Declaration of January 1, 1942, the Governments of the United States of America and the Commonwealth of Australia pledged themselves to employ their full resources, military and economic, against those nations with which they are at war.

With regard to the arrangements for mutual aid between our two governments, I refer to the agreement signed at Washington on February 23, 1942, between the Governments of the United States of America and the United Kingdom on principles applying to mutual aid in the present war authorized and provided for by the Act of Congress of March 11, 1941, and have the honour to inform you that the Government of the Commonwealth of Australia accepts the principles therein contained as governing the provision of mutual aid between itself and the Government of the United States of America.

It is the understanding of the Government of the Commonwealth of Australia that the general principle to be followed in providing such aid is that the war production and war resources of both nations should be used by the armed forces of each, in the ways which most effectively utilize available materials, manpower, production facilities, and shipping space.

I now set forth the understanding of the Government of the Common-wealth of Australia of the principles and procedure applicable to the provision of aid by the Government of the Commonwealth of Australia to the armed forces of the United States and the manner in which such aid will be correlated with the maintenance of those forces by the United States Government.

1. While each Government retains the right of final decision, in the light of its own potentialities and responsibilities, decisions as to the most effective use of resources shall, so far as possible, be made in common,

pursuant to common plans for winning the war.

2. As to financing the provision of such aid, within the fields mentioned below, it is my understanding that the general principles to be applied to the point at which the common war effort is most effective, is that as large a portion as possible of the articles and services which each Government may authorize to be provided to the other shall be in the form of reciprocal aid so that the need of each Government for the currency of the other may be reduced to a minimum.

It is accordingly my understanding that the United States Government will provide, in accordance with the provisions of, and to the extent authorized under, the Act of March 11, 1941, the share of its war production made available to Australia. The Government of Australia will provide on the same terms and as reciprocal aid so much of its war production made available to the United States as it authorizes in accordance with the principles enunciated in this note.

3. The Government of Australia will provide as reciprocal aid the following types of assistance to the armed forces of the United States in Australia or its territories and in such other cases as may be determined by common agreement in the light of the development of the war.

(a) Military equipment, ammunition, and military and naval stores.

(b) Other supplies, materials, facilities, and services for the United States forces except for the pay and allowances of such forces, administrative expenses, and such local purchases as its official establishments may make other than through the official establishments of the Australian Government as specified in paragraph 4.

(c) Supplies, materials, and services needed in the construction of military projects, tasks, and similar capital works required for the common war effort in Australia and in such other places as may be determined, except

for the wages and salaries of United States citizens.

4. The practical application of the principles formulated in this note, including the procedure by which requests for aid by either Government are made and acted upon, shall be worked out as occasion may require by agreement between the two Governments, acting when possible through their appropriate military or civilian administrative authorities. Requests by the United States Government for such aid will be presented by duly authorized authorities of the United States to official agencies of the Commonwealth of Australia which will be designated or established in Can-

berra and in the areas where United States forces are located for the purpose

of facilitating the provision of reciprocal aid.

5. It is my understanding that all such aid accepted by the President of the United States or his authorized representatives from the Government of Australia will be received as a benefit to the United States under the Act of March 11, 1941. Insofar as circumstances will permit appropriate record of aid received under this arrangement, except for miscellaneous facilities and services, will be kept by each Government.

If the Government of the United States concurs in the foregoing, I would suggest that the present note and your reply to that effect be regarded as placing on record the understanding of our two Governments in this

matter.

I have the honor to be with the highest consideration, Sir, your obedient servant,

OWEN DIXON.

September 3, 1942.

The Honorable Sir Owen Dixon, K. C. M. G.,

Minister of Australia.

Sir: I have the honor to acknowledge receipt of your note of today's date concerning the principles and procedures applicable to the provision of aid by the Government of the Commonwealth of Australia to the armed forces of the United States of America.

In reply I have the honor to inform you that the Government of the United States of America likewise accepts the principles contained in the agreement of February 23, 1942, between it and the Government of the United Kingdom as governing the provision of mutual aid between the Governments of the United States and of the Commonwealth of Australia. My Government agrees with the understanding of the Government of the Commonwealth of Australia as expressed in your note of today's date, and, in accordance with the suggestion contained therein, your note and this reply will be regarded as placing on record the understanding between our two Governments in this matter.

This further integration and strengthening of our common war effort gives me great satisfaction.

Accept, Sir, the renewed assurances of my highest consideration.

Cordell Hull,
Secretary of State of the United States of America

September 3, 1942.

Agreement With New Zealand

The Honorable Cordell Hull,

Secretary of State,

United States Department of State,

Washington, D. C.

Sin: As contracting parties to the United Nations Declaration of January 1, 1942, the Governments of the United States of America and New Zealand

pledged themselves to employ their full resources, military and economic,

against those nations with which they are at war.

In the Agreement of February 23, 1942, between the Governments of the United Kingdom and of the United States of America, the provisions and principles of which the Government of New Zealand considers applicable to its relations with the Government of the United States, each contracting Government undertook to provide the other with such articles, services, facilities, or information useful in the prosecution of their common war undertaking as each may be in a position to supply.

It is the understanding of the Government of New Zealand that the general principle to be followed in providing such aid is that the war production and war resources of both nations should be used by each, in the ways which most effectively utilize available materials, manpower, production facilities,

and shipping space.

I now set forth the understanding of the Government of New Zealand of the principles and procedure applicable to the provision of aid by the Government of New Zealand to the armed forces of the United States and the manner in which such aid will be correlated with the maintenance of those forces by the United States Government.

1. While each Government retains the right of final decision, in the light of its own potentialities and responsibilities, decisions as to the most effective use of resources shall, so far as possible, be made in common, pursuant

to common plans for winning the war.

2. As to financing the provision of such aid, within the fields mentioned below, it is my understanding that the general principle to be applied, to the point at which the common war effort is most effective, is that as large a portion as possible of the articles and services to be provided by each Government to the other shall be in the form of reciprocal aid so that the need of each Government for the currency of the other may be reduced to a minimum.

It is accordingly my understanding that the United States Government will provide, in accordance with the provisions of, and to the extent authorized under, the Act of March 11, 1941, the share of its production made available to New Zealand. The Government of New Zealand will provide on the same terms and as reciprocal aid so much of its production made available to the United States as it authorizes in accordance with the principles enunciated in this note.

3. The Government of New Zealand will provide the United States or its armed forces with the following types of assistance, as such reciprocal aid, when it is found that they can most effectively be procured in New Zealand.

(a) Military equipment, munitions, and military and naval stores.

(b) Other supplies, materials, facilities, and services for the United States forces, except for the pay and allowances of such forces, administrative expenses, and such local purchases as its official establishments may make other than through the official establishments of the Government of New Zealand as specified in Paragraph 4.

- (c) Supplies, materials, and services needed in the construction of military projects, tasks, and similar capital works required for the common war effort in New Zealand, except for the wages and salaries of United States citizens.
- (d) Supplies, materials, and services needed in the construction of such military projects, tasks, and capital works in territory other than New Zealand or territory of the United States to the extent that New Zealand is a more practicable source of supply than the United States or another of the United Nations.
- 4. The practical application of the principles formulated in this note, including the procedure by which requests for aid by either Government are made and acted upon, shall be worked out as occasion may require by agreement between the two Governments, acting when possible through their appropriate military or civilian administrative authorities.
- 5. It is my understanding that all such aid accepted by the President of the United States or his authorized representatives from the Government of New Zealand will be received as a benefit to the United States under the Act of March 11, 1941. Insofar as circumstances will permit, appropriate record of aid received under this agreement, except for miscellaneous facilities and services, will be kept by each Government.

If the Government of the United States concurs in the foregoing, I would suggest that the present note and your reply to that effect be regarded as placing on record the understanding of our two Governments in this matter.

I have the honour to be, Sir,

Your obedient servant,

Walter Nash, Minister of New Zealand.

September 3, 1942

The Honorable Walter Nash,

Minister of New Zealand.

Sir: I have the honor to acknowledge receipt of your note of today's date concerning the principles and procedures applicable to the provision of aid by the Government of New Zealand to the armed forces of the United States of America.

In reply I have the honor to inform you that the Government of the United States of America likewise considers the provisions and principles contained in the agreement of February 23, 1942, between it and the Government of the United Kingdom as applicable to its relations with the Government of New Zealand. My Government agrees with the understanding of the Government of New Zealand as expressed in your note of today's date, and, in accordance with the suggestion contained therein, your note and this reply will be regarded as placing on record the understanding between our two Governments in this matter.

This further integration and strengthening of our common war effort gives me great satisfaction.

Accept, Sir, the renewed assurances of my highest consideration.

Cordell Hull, Secretary of State of the United States of America.

September 3, 1942

Agreement With French National Committee

Text of Note to General Dahlquist From French National Committee

The French National Committee sets forth below its understanding of the principles governing the provision of reciprocal aid by the United States of America to Fighting France and by Fighting France to the United States:

1. The United States of America will continue to supply Fighting France with such defense articles, defense services, and defense information as the

President shall authorize to be transferred or provided.

2. Fighting France will continue to contribute to the defense of the United States of America and the strengthening thereof and will provide such articles, services, facilities, or information as it may be in a position

to supply.

3. The fundamental principle to be followed in providing such aid is that the war production and war resources of Fighting France and of the United States of America should be used by the armed forces of each in the ways which most effectively utilize available materials, manpower, production facilities, and shipping space. While each retains the right of final decision, in the light of its own potentialities and responsibilities, decisions as to the most effective use of resources shall, so far as possible, be made in common, pursuant to common plans for winning the war.

4. As to financing the provision of such aid, within the fields mentioned below, it is the Committee's understanding that the general principle to be applied, to the point at which the common war effort is most effective, is that as large a portion as possible of the articles and services to be provided

by each to the other shall be in the form of reciprocal aid.

It is accordingly the Committee's understanding that the United States Government will provide, in accordance with the provisions of, and to the extent authorized under, the Act of March 11, 1941, the share of its war production made available to Fighting France. Fighting France will provide on the same terms and as reciprocal aid so much of its war production made available to the United States as it authorized in accordance with the principles enunciated in this note.

5. Within the territories under the control of Fighting France, or within the same theater of operations, the National Committee will provide the United States or its armed forces with the following types of assistance, as such reciprocal aid, when it is found that they can most effectively be

procured in territory under the control of Fighting France:

(a) Military equipment, munitions, and military and naval stores.

(b) Other supplies, materials, facilities, and services for the United States forces, except for the pay and allowances of such forces, adminis-

trative expenses, and such local purchases as its official establishments may make other than through the official establishments of Fighting

France as specified in paragraph 6.

(c) Supplies, materials, and services, except for the wages and salaries of United States citizens, needed in the construction of military projects, tasks, and similar capital works required for the common war effort in territory under the control of Fighting France, or in the same theater of operations, to the extent that such territory is the most practicable source of supply.

6. The practical application of the principles formulated in this note, including the procedure by which requests for aid are made and acted upon, shall be worked out by agreement as occasion may require through the appropriate military or civilian administrative authorities. Requests by the United States forces for such aid will be presented by their duly authorized authorities to official agencies of Fighting France which will be designated or established in the areas where United States forces are located for the purpose of facilitating the provision of reciprocal aid.

7. It is the Committee's understanding that all such aid accepted by the President of the United States or his authorized representatives from Fighting France will be received as a benefit to the United States under the Act of March 11, 1941. Insofar as circumstances will permit, appropriate record of aid received under this arrangement, except for miscellaneous

facilities and services, will be kept by each.

If the Government of the United States concurs in the foregoing, the present note and a reply to that effect will be regarded as placing on record the understanding in this matter.

Text of Note to French National Committee From General Dahlquist

The Government of the United States of America agrees with the understanding of the National Committee, as expressed in the English text of the Committee's note of today's date, concerning the principles and procedures applicable to the provisions of aid by Fighting France to the armed forces of the United States of America and, in accordance with the suggestion contained therein, that note and this reply will be regarded as placing on record the understanding in this matter.

September 3, 1942

Appendix IV

MODUS VIVENDI ON RECIPROCAL AID IN FRENCH NORTH AND WEST AFRICA

The Government of the United States and the French Committee of National Liberation, desirous of lending each other the reciprocal aid necessary to the prosecution of the joint war effort, are agreed upon the following provisional Modus Vivendi which will, following signature, be applicable in French North and West Africa:

I. With reference to supplies and services urgently needed to maintain the French war effort, which the United States has furnished to the French authorities and will continue to furnish, within limitations of need and

supply, it is understood that:

(a) Military aid, including supplies for railroads, docks, public utilities, and other facilities to the extent that such supplies are determined to be military aid is made available on a straight Lend-Lease basis, in the light of the considerations set forth in Paragraph V. Such aid does not include the pay and allowances of French forces. The United States reserves the right to require the return of any articles furnished under this paragraph and not lost, destroyed, or consumed,

(i) if at any time it is decided that such restitution would be an ad-

vantage in the conduct of the war, or

(ii) if at the end of the present emergency as determined by the President of the United States, the President shall determine that such articles are useful in the defense of the United States or of the Western Hemisphere, or to be otherwise of use to the United States.

(b) For all civilian supplies imported from the United States, the French authorities will pay upon the basis of prices to be agreed. Payment will be made, currently at convenient intervals, in dollars, to an appropriately designated account in the United States.

(c) The distinction between civilian and military aid, supplies and services, where such distinction may be necessary, will be made by agreement.

(d) All aid furnished under Paragraph I (a) and I (b) will be made available by the United States under the authority and subject to the terms and conditions provided for in the Act of Congress of 11 March, 1941, as amended (P. L. 11, 77th Congress, 1st Session).

II. With reference to supplies and services urgently needed to maintain the United States war effort, which the French authorities have furnished to the United States and will continue to furnish, within limitations of

need and supply, it is understood that:

(a) The French authorities undertake to make available to or for the use of the armed forces and other governmental agencies of the United States, as reverse Lend-Lease aid to the United States, on a straight Lend-Lease basis, when it is found that such aid can most effectively be procured in territory under their control.

(i) military equipment, munitions, and military and naval stores;

(ii) other supplies, materials, facilities, and services for United States forces, including the use of railway and port facilities, but not including the pay and allowances of such forces nor the administrative expenses of American missions;

(iii) supplies, materials, facilities, and services, except for the wages and salaries of United States citizens, needed in the construction of military projects, tasks, and similar capital works required in the common war effort, to the extent that French North or West Africa is the most practicable source of such supplies, materials, facilities, or services;

(iv) such other supplies, materials, services, or facilities as may be agreed upon as necessary in the prosecution of the war, but not including exports of civilian supplies to the United States from North and

West Africa.

While the French authorities retain, of course, the right of final decision, subject to the obligations and arrangements they have entered into for the prosecution of the war, decisions as to the most effective use of resources shall, so far as possible, be made in common, pursuant to common plans for winning the war.

(b) All civilian supplies exported from French North and West Africa to the United States will be paid for on the basis of prices to be agreed. Payment will be made currently, at convenient intervals, in dollars, to an appropriate designated account in the United States.

(c) The distinction between civilian and military aid, supplies and services, where such distinction may be necessary, will be made by agree-

(d) In order to obtain the supplies and services included within the scope of Paragraph II (a), duly authorized United States officers or other officials will submit their requests to the official services duly designated by the French authorities. These services will be established in Algiers, Casablanca, Oran, Tunis, Dakar, and other places where it may be found practicable and convenient to establish organizations for facilitating the transfer of reciprocal aid.

(e) For use in those exceptional cases, and particularly in cases of local procurement of supplies, in which it is agreed to be more practicable to secure such reverse Lend-Lease supplies, facilities, and services by direct purchase, rather than by the method of procurement set forth in Paragraph II (b), it is agreed that the French authorities establish a franc account in convenient banking institutions and in the name of a designated officer of the United States to facilitate the provision of reverse Lend-Lease aid as contemplated by Paragraph II (a). The French contributions to this account will be mutually agreed upon from time to time in the light of the changing needs of the American forces, and other appropriate factors. Such an account will not be used for the payment of wages and salaries of American military or civilian personnel, nor for administrative expenses of American missions. Estimates of the franc requirements of the United States will be submitted to designated French authorities from time to time, as may be found convenient. The French authorities will be kept fully and currently informed of all transactions in this account.

III. In exceptional cases, and when they deem it preferable, the American military forces, or other agencies of the United States Government, may continue to use their present practice of acquiring francs against dollars from the French authorities.

IV. Adequate statistical records will be kept of all goods and services

exchanged as mutual aid under paragraphs I and II above.

V. The provisions of this modus vivendi correspond to a desire to reduce to an appropriate minimum the need of either party for currency of the other party. Provisions which call for payments in dollars have been decided upon in view of the special situation arising from accumulated dollar balances and availabilities of dollar funds due to the presence of United States troops in French North and West Africa. Revision of the payment provisions of this modus vivendi will be made should the situation require.

Signed at Algiers this 25th day of September, A. D. 1943.

For the Government of the United States of America:

/s/Robert Murphy

For the French Committee of National Liberation:

/s/Massigli /s/Jean Monnet

September 25, 1943.

Appendix V

EXECUTIVE ORDER ESTABLISHING FOREIGN ECONOMIC ADMINISTRATION

By virtue of the authority vested in me by the Constitution and the statutes of the United States, as President of the United States and Commander in Chief of the Army and Navy, and in order to unify and consolidate governmental activities relating to foreign economic affairs, it is hereby ordered as follows:

- 1. There is established in the Office for Emergency Management of the Executive Office of the President the Foreign Economic Administration (hereinafter referred to as the Administration), at the head of which shall be an Administrator.
- 2. The Office of Lend-Lease Administration, the Office of Foreign Relief and Rehabilitation Operations, the Office of Economic Warfare (together with the corporations, agencies, and functions transferred thereto by Executive Order No. 9361 of July 15, 1943), the Office of Foreign Economic Coordination (except such functions and personnel thereof as the Director of the Budget shall determine are not concerned with foreign economic operations) and their respective functions, powers, and duties are transferred to and consolidated in the Administration.
- 3. The Administrator may establish such offices, bureaus, or divisions in the Administration as may be necessary to carry out the provisions of this order, and may assign to them such of the functions and duties of the offices, agencies, and corporations consolidated by this order as he may deem desirable in the interest of efficient administration.
- 4. The powers and functions of the Administration shall be exercised in conformity with the foreign policy of the United States as defined by the Secretary of State. As soon as military operations permit, the Administration shall assume responsibility for and control of all activities of the United States Government in liberated areas with respect to supplying the requirements of and procuring materials in such areas.
- 5. All the personnel, property, records, funds (including all unexpended balances of appropriations, allocations, or other funds now available), contracts, assets, liabilities, and capital stock (including shares of stock) of the offices, agencies, and corporations consolidated by paragraph 2 of this order are transferred to the Administration for use in connection with the exercise and performance of its functions, powers, and duties. In the case of capital stock (including shares of stock), the transfer shall be to such agency, corporation, office, officer, or person as the Administrator shall designate. The Administrator is authorized to employ such personnel as may be necessary in the performance of the functions of the Administration and in order to carry out the purposes of this order.

6. No part of any funds appropriated or made available under Public Law 139, approved July 12, 1943, shall hereafter be used directly or indirectly by the Administrator for the procurement of services, supplies, or equipment outside the United States except for the purpose of executing general economic programs or policies, formally approved by a majority of the War Mobilization Committee in writing filed with the Secretary of State prior to any such expenditure.

7. All prior Executive Orders insofar as they are in conflict herewith are amended accordingly. This order shall take effect upon the taking of office by the Administrator, except that the agencies and offices consolidated by paragraph 2 hereof shall continue to exercise their respective functions

pending any contrary determination by the Administrator.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, September 25, 1943.

Appendix VI

EXECUTIVE ORDER ESTABLISHING OFFICE OF LEND-LEASE ADMINISTRATION

By virtue of the authority vested in me by the Constitution and statutes of the United States, and particularly by the Act of March 11, 1941, entitled "An Act further to promote the defense of the United States and for other purposes" (hereafter referred to as the Act), and by the Defense Aid Supplemental Appropriation Act, 1941, approved March 27, 1941, and acts amendatory or supplemental thereto, in order to define further the functions and duties of the Office for Emergency Management of the Executive Office of the President in respect to the national emergency as declared by the President on May 27, 1941, and in order to provide for the more effective administration of those Acts in the interests of national defense, it is hereby ordered as follows:

- 1. There shall be in the Office for Emergency Management of the Executive Office of the President an Office of Lend-Lease Administration, at the head of which shall be an Administrator, appointed by the President, who shall receive compensation at such rate as the President shall approve and, in addition, shall be entitled to actual and necessary transportation subsistence, and other expenses incidental to the performance of his duties.
- 2. Subject to such policies as the President may from time to time prescribe, the Administrator is hereby authorized and directed, pursuant to Section 9 of the Act, to exercise any power or authority conferred upon the President by the Act and by the Defense Aid Supplemental Appropriation Act, 1941, and any acts amendatory or supplemental thereto, with respect to any nation whose defense the President shall have found to be vital to the defense of the United States: *Provided*, That the master agreement with each nation receiving lend-lease aid, setting forth the general terms and conditions under which such nation is to receive such aid, shall be negotiated by the State Department, with the advice of the Economic Defense Board and the Office of Lend-Lease Administration.
- 3. The Administrator shall make appropriate arrangements with the Economic Defense Board for the review and clearance of lend-lease transactions which affect the economic defense of the United States as defined in Executive Order No. 8839 of July 30, 1941.
- 4. Within the limitation of such funds as may be made available for that purpose, the Administrator may appoint one or more Deputy or Assistant Administrators and other personnel, delegate to such Deputy or Assistant Administrators any power or authority conferred by these orders, and make provision for such supplies, facilities, and services as shall be necessary to

carry out the provisions of this Order. Insofar as practicable, the Office of Lend-Lease Administration shall use such general business services and facilities as may be made available to it through the Office for Emergency Management.

5. Executive Order No. 8751 of May 2, 1941, establishing the Division of Defense Aid Reports and defining its functions and duties, is hereby revoked.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, October 28, 1941.

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SEVENTEENTH REPORT TO CONGRESS ON LEND-LEASE OPERATIONS

Reverse Lend-Lease Aid from the British Commonwealth of Nations

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SEVENTEENTH REPORT TO CONGRESS ON LEND-LEASE OPERATIONS

Reverse Lend-Lease Aid from the British Commonwealth of Nations

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"The President from time to time, but not less frequently than once every ninety days, shall transmit to the Congress a report of operations under this Act except such information as he deems incompatible with the public interest to disclose."

[From Section 5, subsection b of "An Act to Promote the Defense of the United States" (Public Law No. 11, 77th Congress, 1st Session).]

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PRESIDENT'S LETTER OF TRANSMITTAL

To the Congress of the United States of America:

I

I am submitting herewith my Seventeenth Réport to Congress on Lend-Lease Operations.

In fifteen of these reports I have reported on lend-lease aid extended by the United States. One year ago, the Twelfth Lend-Lease Report to Congress set forth the reverse lend-lease aid received by the United States from the British Commonwealth of Nations under the Lend-Lease Act. That report covered the period up to June 30, 1943.

I now report on reverse lend-lease aid received by the United States from the British Commonwealth of Nations up to June 30, 1944.

One year ago the governments of the British Commonwealth reported their expenditures for reverse lend-lease aid to the United States, on the basis of estimates carefully prepared from their records, as totalling \$1,175,000,000. They now report that by June 30, 1944—one year later—these expenditures had risen to \$3,348,000,000—almost three times the previous total.

The first six months of 1944 showed a significant increase in reverse lendlease aid from the British Commonwealth. These were the months when the final preparations were being made in the United Kingdom for the liberation of Western Europe and for the offensives aimed at Germany.

In these six months, United States forces in the British Isles received the equivalent of almost 3,851,000 ships' tons of supplies from the United Kingdom under reverse lend-lease exclusive of construction materials and gasoline, compared with 2,950,000 tons in the entire preceding 18 months. In monetary value, the supplies and services we received in these six months were greater than for the entire preceding year.

By "D" Day, United States armed forces had reached the United Kingdom in vast numbers. From the day our first soldiers arrived in 1942, one-third of all the supplies and equipment currently required by United States troops in the British Isles has been provided under reverse lend-lease. The percentages of total United States Army requirements in the European theater provided by the United Kingdom have ranged as high as 63 percent in the case of quartermaster supplies and 58 percent for engineers' supplies.

Reverse lend-lease has played an essential part in the stupendous job of preparing for and supplying the great allied offensives in Europe.

It would have required a thousand ships to send across the Atlantic what we received for our men through reverse lend-lease from the United Kingdom.

We were able to use these thousand ships instead for carrying supplies and equipment that had to come from the United States.

Without the reverse lend-lease aid that we received from the United Kingdom, we would surely have been forced to delay the invasion of France for many months. Now that this campaign has been successfully launched and is on the road to ultimate success, it is possible to include in this report facts about specific and vitally important reverse lend-lease projects that could not previously be safely disclosed in a public report.

For the war against Japan, United States forces have also received increased quantities of supplies and services in the past six months as reverse lend-lease from Australia and New Zealand, and in India. These were the months in which the forces under General MacArthur were completing the New Guinea campaign and were preparing to launch the campaign for the liberation of the Philippines.

Our forces in the Pacific have already received 1,850,000,000 pounds of food alone from Australia and New Zealand, including more than 400,000,000 pounds of beef and other meats.

Another important reverse lend-lease program in this theater has been the production for our forces of landing craft, small ships and boats, for the campaign we are waging in the Pacific. Tremendous numbers of these boats are needed for landing and supply operations on hundreds of islands scattered across thousands of miles of water. More than 9,500 of these craft had been produced and delivered by Australia alone in time for the Philippines campaign and over 12,000 more are on the way. In addition, Australia and New Zealand have turned over to our forces many hundreds of coastal steamers, barges, tugs, lighters, yachts, and launches.

In India the increased rate of reverse lend-lease aid we have received in the first six months of 1944 has kept pace with the rising tempo of air, land and sea operations in the Burma-India and China theaters. A significant proportion of the supplies we have received in India has consisted of aviation gasoline and other petroleum products drawn from British oil resources in the Middle East and refined at the British refinery at Abadan. This gasoline, provided to us as reverse lend-lease, without payment by us, is helping to power our B-29 Super-Fortresses in their raids from both China and India on the Japanese homeland and on such enemy-occupied

strong points as Singapore. It is also being used by the fighter and bomber planes of the 10th and 14th United States Army Air Forces.

II

I take the occasion of this Report again to point out that the reverse lend-lease aid rendered by nations of the British Commonwealth to the United States is only a part of the aid which we have received from the British in fighting this war. The United States has benefited greatly from reverse lend-lease aid, as the facts set forth in this Report indicate. But we have benefited far more, and in a far larger sense, from the total fighting effort of our allies.

As I have stated in previous Lend-Lease Reports and as the Congress has expressed itself in Reports by its appropriate committees at the time of the virtually unanimous renewals of the Lend-Lease Act in 1943 and 1944, lend-lease and reverse lend-lease are not two sides of a financial transaction. We are not loaning money under lend-lease. We are not receiving payments on account under reverse lend-lease. The lend-lease system is, instead, a system of combined war supply, whose sole purpose is to make the most effective use against the enemy of the combined resources of the United Nations, regardless of the origin of the supplies or which of us uses them against the enemy.

Neither the monetary totals of the lend-lease aid we supply, nor the totals of the reverse lend-lease aid we receive are measures of the aid we have given or received in this war. That could be measured only in terms of the total contributions toward winning victory of each of the United Nations. There are no statistical or monetary measurements for the value of courage, skill and sacrifice in the face of death and destruction wrought by our common enemies.

We in the United States can be justly proud of our contributions in men and materials and of the courage and skill and sacrifice of the men and women in our armed forces and of all those others who have devoted themselves selflessly to the war effort at home. We can also be rightly proud of and grateful for the contributions in men and materials of our allies and the courage and skill and sacrifice of their soldiers, airmen, seamen and peoples.

In this war the United Nations have all drawn strength from each other—our allies from us and we from them. We can now begin to see the full significance of the overwhelming power that this steadily closer partnership has created. We already know how much it did to save us all from disaster. We know that it has brought and will bring final victory months closer than would otherwise have been possible.

Lend-lease and reverse lend-lease are a system of combined war supply. They should end with the war. But the United Nations partnership must go on and must grow stronger. For the tasks of building a workable peace that will endure, we shall need all the strength that a permanent and stronger United Nations can provide in winning security from aggression, in building the economic foundations for a more prosperous world, and in developing wider opportunities for civilized advancement for the American people and for all the other peace-loving peoples of the world.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,

November 24, 1944.

☆ ☆ ☆

REVERSE LEND-LEASE AID

Furnished to United States by British Commonwealth of Nations

•	January—June 1944	Cumulative to June 30, 1944
United Kingdom	\$873,422,000 350,062,000	\$2,437,062,000 911,065,000
TOTAL	1,223,484,000	3,348,127,000

(Conversion to dollars at official rates of exchange.)

Table 1

Chapter 1

REVERSE LEND-LEASE FOR THE CAMPAIGN IN EUROPE

In the six months from January 1 to June 30, 1944, the United Kingdom has reported the value of its reverse lend-lease aid to the United States as \$873,422,000. This aid included the equivalent of 3,850,946 ships' tons of supplies in six months alone for United States forces based in the British Isles. These supplies were vital to our participation in the air offensive against Germany and in the European campaign launched on June 6, 1944.

The total monetary value of reverse lend-lease aid by the United Kingdom to the United States from June 1, 1942, to June 30, 1944, has now risen to \$2,437,062,000. Table 2 gives the break-down of the figures for the six-month period January 1 to June 30, 1944, and cumulatively to June 30, 1944.

Excluding construction materials and gasoline, United States forces based in the British Isles received almost 6,800,000 ships' tons of supplies and equipment as reverse lend-lease in the two years ending June 30, 1944. Over half of this amount was provided in the last six months, as reported by our Army and shown in Table 3.

REVERSE LEND-LEASE FROM THE UNITED KINGDOM

	January—June 1944	Cumulative to June 30, 1944
Goods and services transferred in the		
United Kingdom	\$456,527,000	\$1,028,787,000
Shipping services	82,010,000	356,050,000
Capital construction in United Kingdom and overseas	148,348,000	704,488,000
the United Kingdom ¹	186,537,000	347,737,000
TOTAL	873,422,000	2,437,062,000

¹ Includes the value of raw materials and foodstuffs and military supplies shipped to or transferred in the United States. Includes transfers in overseas theaters of war to March 31, 1944 only.

(Conversion from pound sterling at \$4.03.)

Table 2

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9



Thirty-one percent of all the supplies and equipment currently required by the United States Army in the European Theater of Operations between June 1, 1942, and June 30, 1944, was supplied by the British as reverse lendlease aid, without payment by us, while 69 percent was shipped from the United States. The British supplied us, as well as their own forces, with everything we needed that they were able to produce themselves in sufficient quantities.

It would have taken 1,000 loaded ships to send from the United States the supplies provided to our forces by the United Kingdom. We and they used these thousand ships to bring over from America 6,800,000 tons of tanks, trucks, guns, bombs, and other supplies and equipment that the United States and allied armies had to have for the European campaign and that could not be produced in sufficient quantities or at all in Great Britain.

This combined supply program made it possible to begin the invasion of Europe months earlier than would otherwise have been possible and gave the allied armies the tremendous striking power that has carried us inside the German borders.

REVERSE LEND-LEASE SUPPLIES FURNISHED TO U. S. FORCES IN THE BRITISH ISLES ¹

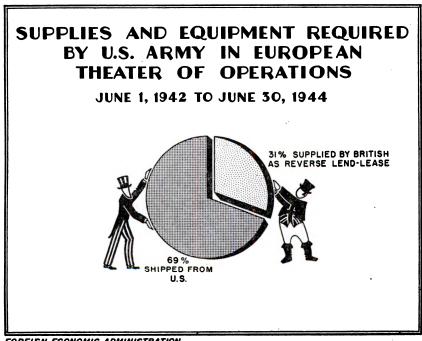
Period	Quantity, in	ships' tons
1942		1,121,786 1,826,701
1944: January February	549,088 632,215	
March April	679,699 648,462	
May June	756,769 584,713	
		3,850,946
TOTAL		6,799,433

Does not include the tonnage of construction materials obtained in the United Kingdom under reverse lend-lease. Also does not include the tonnage of gasoline and oil. Petroleum products are shipped to the United Kingdom from both American and British sources and are pooled and drawn upon by American, British, and allied forces as needed. All the gasoline and oil in this pool which comes from the United States has been recorded and reported as lend-lease aid to the United Kingdom. Withdrawals with an estimated cumulative value of \$104,780,000 which have been made from this pool by United States air, ground, and naval forces have been recorded as reverse lend-lease and are included in the monetary totals shown in Table 2.

Table 3

Table 4 on the following page shows the percentages of current United States Army requirements for the different service branches in the European Theater which came from the United States and those which were provided on the spot under reverse lend-lease.

In addition to the tonnage of supplies and equipment for our forces, reverse lend-lease aid provided by the United Kingdom has included the immense amount of new construction involved in the hundreds of United States Air and Ground Force bases, camps, supply and repair depots and other installations built throughout England, Scotland, Wales, and Northern Ireland for our forces. Almost one-third of Great Britain's total building labor force was employed on this program. It has also included turning over to our use already existing facilities equivalent to 1,000 city blocks. Services provided as reverse lend-lease aid have included not only the transportation of hundreds of thousands of American soldiers in British ships across the Atlantic, together with repairs, fuel and stores for our ships in British ports; they have also included the great cost in manpower and in money of the telephone, telegraph, postal, radio, railroad and other transportation and communication services in the United Kingdom required for



FOREIGN ECONOMIC ADMINISTRATION

Chart 1

CURRENT U. S. ARMY REQUIREMENTS IN EUROPEAN THEATER OF OPERATIONS

June 1942-June 1944 1

	As reverse lend- lease from U. K.	Shipped from U. S.
Quartermaster Corps Engineers Corps Medical Corps Chemical Warfare Signal Corps Air Forces Ordnance Transportation Corps	58 49 25 22 21 4	37% 42 51 75 78 79 96 97
OVER-ALL	31%	69%

¹ Based on Ships' Tons. Construction materials and gasoline not included.

Table 4

one to two million U. S. fighting men. British railroads, for example, operated 9,225 special trains with over 650,000 cars in the first six months of 1944 alone to carry United States forces and their supplies, exclusively. All this has been provided as reverse lend-lease, without payment by us.

The monetary totals reported for reverse lend-lease are large and this aid, by reason of volume alone, has been a major factor in the success of all our operations in the European Theater. The figures are, however, an incomplete reflection of the value to us of these supplies and services. Reverse lend-lease expenditures by the United Kingdom and other British Commonwealth countries are made in their own currencies. The dollar figures are arrived at by translating pounds into dollars at official rates of exchange, which generally do not reflect adequately the lower prices usually prevailing in these countries and therefore understate the real financial value of the aid which we receive from our allies.

For example, a parachute which we procure in the United States for our own forces or for lend-lease countries costs \$165. The cost of a comparable parachute procured in the United Kingdom for our forces under reverse lend-lease is \$135. A 65-inch aircraft tire procured in the United States costs \$350. The comparable tire provided under reverse lend-lease by the United Kingdom costs less than \$160. An Army field jacket which costs \$6.10 to procure in the United States costs \$5.60 in the United Kingdom.

Quantity figures, in either dollars or tons, do not reflect by any means the full importance of this reverse lend-lease aid to our military operations for another reason. This is true also of our lend-lease aid to our allies.

Just as our own forces have been equipped principally from United States factories, the forces of the United Kingdom have been supplied with about 70 percent of their equipment from their own factories. But British forces have been able to fight against the Germans with infinitely greater power and effect because of certain arms that the United States was better able to supply. Sherman tanks, our 2½-ton Army trucks, and our LST's and Ducks are notable examples, but there are many others less well known that have had a significance far beyond the quantities and money values involved.

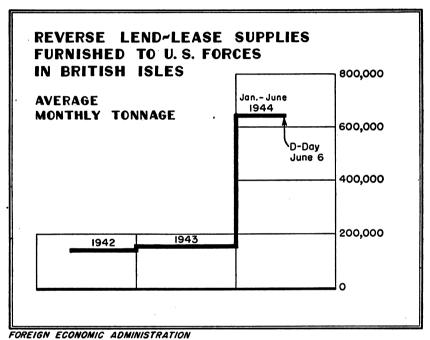


Chart 2

In the case of reverse lend-lease for our forces in the European Theater some supply projects carried out for us by the British have made a life and death difference in the fighting this year. This is one of the major achievements of the United Nations combined supply system made possible by lend-lease and reverse lend-lease. We and the British have been able to fill each other's critical deficiencies in such a manner that our combined power against the enemy has been multiplied by many times the monetary value of the supplies involved.

Great Britain's part in this combined production and supply program has been made possible, furthermore, through the miracles of production and steadfastness her people have achieved in five successive years that

were lived literally on the front lines—from the days of the great Blitz of 1940–1941 through the equally terrible flying bomb attacks of this year—five years of smashing bomb attacks which destroyed or damaged millions of homes, killed 56,195 men, women, and children and injured many times that number; five years of monotonous work at long hours with scanty rations of food and clothing and even less of most other consumer goods; five years in which countless families were torn apart as children were evacuated to safer areas, mothers were called into war factories and fathers into the armed forces. There have been 22,500,000 removals of civilian men, women, and children because of evacuations or government directions to labor for war-work, and this in a country with a total population of only 45,000,000.

SYNTHETIC HARBORS

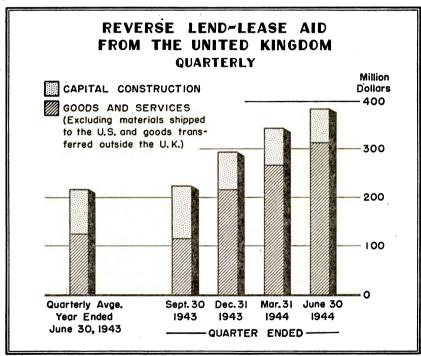
The United Kingdom has made many contributions to the combined supply program for the allied campaign in Europe under General Eisenhower. The most critical single project which she undertook was the production in the United Kindom of virtually all the artificial harbor equipment used on the beaches of France. This made it possible for the allied armies to land enough supplies for the Normandy break-through and the sweep through France and the Lowlands to the German border, although we have had the use until now of only a single existing port of any importance—Cherbourg, and Cherbourg never handled much cargo in peacetime. We were not able to land supplies in any quantity at Cherbourg until August.

The decision was made at the 1943 Quebec Conference by the Combined Chiefs of Staff that the creation of artificial harbors would be essential to unload over the beaches enough supplies to insure a successful cross-channel invasion of Europe. Nothing like it had ever been attempted before in history, but the British had begun experimental work two years before and American scientists and engineers had joined in the work. Final plans and specifications for the necessary equipment were completed in November 1943, only seven months before "D" Day. The United Kingdom undertook the entire construction program for both the British and American forces, although American Seabees joined with the Royal Engineers and British civilians in building and assembling the equipment. The reverse lend-lease totals up to June 30 do not include any of the costs of this program, which was carried out by the British for us as well as for themselves.

The three main elements in the synthetic harbors were: (1) reinforced concrete caissons weighing up to 6,000 tons each which could be towed across the Channel and sunk to form an inner breakwater; (2) huge steel

floats which could be moored in deep water to form an outer breakwater; and (3) floating steel piers hundreds of feet long that would reach from the beach to shipside and rise and fall with the tide.

The production program called for enough equipment to form two complete synthetic harbors on open beaches, each with a capacity equal to that of the port of Dover. It required 100,000 tons of steel and 600,000 tons of concrete. In the months between November 1943 and June 1944, at lease 50,000 men were employed in building this equipment at many different places in Britain, principally along the Thames and in the Southampton area but also as far away as Glasgow. The caissons, the floating breakwaters, and the floating piers then had to be towed to the assembly and take-off points and made fully ready by June 6.



FOREIGN ECONOMIC ADMINISTRATION

Chart 3

A fleet of 85 British and American tugs was gathered to tow the equipment across the Channel. Meanwhile British and United States crews were trained to get the equipment into place once it had been towed across to France, and to operate it. The program also involved earmarking and preparing 60 old warships and merchant vessels, sailing them across to France, and sinking them to form additional breakwater protection.

On "D" Day the synthetic harbors started moving—in pieces—across the hundred-odd miles of rough English Channel water to Normandy. This operation meant towing 13 miles of piers, causeways, and breakwaters, weighing in all over 1,000,000 tons, besides another 500,000 tons of the doomed vessels that were to be sunk as block ships.

The job was done and within 12 days of "D" Day both harbors, the one used by British forces and the one used by American forces, were more than half completed and many supplies were being landed. Then the worst June gale in 40 years hit the English Channel and raged for three days. Because it was more exposed to the direction of the storm, the American harbor was badly wrecked. The British harbor suffered less. It was decided to abandon the American harbor and concentrate on completing the synthetic harbor on the Arromanches that had been serving principally the British and Canadian armies. Far more than a million tons of supplies for the allied forces have since been safely landed at this port, where last June there was only an empty beach.

In addition to the synthetic harbors themselves, Great Britain also provided most of the barges, tugs, lighters, cranes and similar harbor equipment used by the American as well as the British forces for unloading supplies in France both on the beaches and at Cherbourg.

Another of Britain's responsibilities in the joint supply program was, of course, the movement by railroad from all over Britain of United States forces and equipment to the ports of embarkation, together with provision of all the necessary facilities and civilian labor at these ports for the United States forces. This in itself was a gigantic undertaking. Virtually every port and harbor, large and small, on the southern coast of England, was taken over by United States or British Army and Navy forces. Southampton was the dividing line. Westward from there the ports were turned over lock, stock and barrel to the Americans. Eastward it was the British and Canadians. Southampton was used jointly by all the allied forces.

United States forces have used hundreds of thousands of tons of British shipping to carry men and supplies to France—from channel steamers to cargo ships and passenger liners. Much of the United States Army railroad rolling stock now in France—including hundreds of locomotives and many thousands of cars—has been brought across in British railroad ferries, and the British also provided us under reverse lend-lease with the equipment needed to convert some of our LST's into railroad ferries.

In the weeks before "D" Day the British also completed the job of supplying for United States forces under reverse lend-lease water proofing equipment for thousands of our wading tanks, trucks, and other vehicles which went in over the beaches. The entire output of Britain's sheet steel industry for three months was used to complete this project on time.

THE MOVEMENT OF GASOLINE AND THE RECONSTRUCTION OF BRIDGES

For the campaign in France and the Lowlands, two of the most pressing and difficult requirements have been: First, to get enough gasoline to the highly mechanized and armored American, British, and allied armies for their lightning advance across France and Belgium to the present front line; Second, to put into usable shape strategic lines of the French railroad and highway systems, which lost almost every bridge either because of demolition by the enemy or because of our own bombing and shelling during the battles which drove the Germans back 300 miles.

The Germans never believed that the allies, without the use of a single major port, could land enough supplies on the beaches of France for a successful campaign this summer. Nor did they believe it would be possible to transport enough supplies inside France to enable the allied armies to drive ahead so fast and so far once the landings had been successfully achieved. In both assumptions, the Germans have been proved wrong because of the miracles of supply organization achieved by the combined allied armies, working as a single unified team. And just as the British made a vital contribution to the success of our landings through their production of the equipment for the synthetic harbors, they also made very important contributions to our success in moving millions of tons of gasoline and other supplies to the front lines inside France. The following are two striking examples of this assistance, neither of which could be revealed at the time for security reasons.

How We Got the Gas to Patton's and Hodges' Tanks

Almost three years ago—in the early winter of 1942—the British Eighth Army had driven General Rommel most of the way across Libya. Then the British were forced to retreat and Rommel won a succession of victories which drove the British all the way back to El Alamein inside the Egyptian border. One of the reasons for the British failure to exploit their initial success was that they ran out of gasoline. Their supply system couldn't keep up with the rapid advance across the desert.

Rommel's supply system worked better. His tanks and trucks did not run out of gasoline during his advance. One of the reasons why was that the Germans had a very efficient five-gallon gasoline can. These cans were made of steel. They were oblong-shaped, with flat sides. They were very strong and tremendous numbers of them could be packed into one 2½-ton truck. The British had no gasoline can as good, nor did they have cans of any type in the quantities with which the Germans had equipped Rommel's army.

The Eighth Army captured some of these cans. They were sent back to England and the British started manufacturing them. They were called "Jerri-cans," because they had been captured from the Germans. The first production of these cans in British factories was all sent to Egypt by every available means of transportation. By October 1942, when the Eighth Army launched its offensive at El Alamein in accordance with the strategic plans of the Combined Chiefs of Staff for the campaign that was to drive the Germans from all of Africa, the Eighth Army had enough "Jerri-cans" to meet its needs. This time they did not run out of gasoline and they drove the Germans 1,500 miles across the desert, all the way from El Alamein to Tunisia.

In 1943 it was decided that the British should try to produce enough cans to meet most of the anticipated needs of the United States Army in the European Theater as well as of the British Army. To ship gasoline cans from the United States was wasteful of shipping space and the "Jerrican" had fully proved its worth.

In the intervening months before "D" Day the British more than doubled their production of "Jerri-cans." They succeeded in meeting virtually all of the United States Army requirements. Many millions of these cans, provided as reverse lend-lease, were filled and ready to go on "D" Day, June 6th.

They were among the first supplies landed on the beaches of France. When the United States First and Third Armies broke out of Normandy, it was in these "Jerri-cans" that the gasoline our tanks and trucks needed to keep going was sent forward. Without these cans it would have been impossible for our armies to cut their way across France at a lightning pace which exceeded the German blitz of 1940. Cargo planes and even combat planes were loaded with them and carried them to forward airfields. Trucks of every size, jeeps, armored cars—everything that rolled on wheels—loaded up with "Jerri-cans" and rushed them to the front lines. They were tough enough to be dropped off trucks in motion without bursting open. They could even be dropped from the air into rivers and streams, or they could be dumped overside from ships, because they have airpockets at the top which make them float even when filled.

Today the 'Jerri-cans' are still going into France by the million. They are being used, and used again, up near the front lines where the pipe lines and the tank trucks cannot go.

The British also gave us a vitally important helping hand for the first pipe line built by the United States Army Engineers from Cherbourg to Paris. That pipe line was built almost entirely of pipe supplied us by the British under reverse lend-lease.

Bridges Like Meccano Sets

Earlier in the war the British successfully developed a unit steel bridge called the Bailey Bridge. This bridge is constructed of standardized, interchangeable panels and cross-pieces. It works on the same principle as a toy Meccano or Erector set but without nuts and bolts. It is put together on one bank of a river and then slid out across the river to the opposite bank. By using different numbers of units it can be built to varying widths and to carry varying loads up to 70 tons or more. It can be built as a two-span bridge as well as a single span. It can be used with pontoons but its chief advantage is that it makes pontoons unuccessary in many cases. Rivers can be bridged at road-level instead of water-level. Detours and new highway approaches cut through river banks are eliminated. By using the Bailey Bridge a bombed-out bridge can be replaced in a few hours without any new road construction.

The British also developed a unit railroad bridge which works on the same principle as the Bailey Bridge.

When the plans were made over a year ago for the invasion of France, it was decided that the British should produce all the Bailey Bridges needed by the U. S. as well as the British armies in the European Theater. At the same time the British made available to us the design of this bridge so that we could manufacture it in this country to meet our needs in other theaters.

With virtually every bridge knocked out across the Seine between Normandy and Paris and with thousands of bridges in all destroyed in France, the Bailey Bridges have been of critical importance in getting supplies to our front-line troops. United States Army Engineers have already bridged the rivers of France perhaps a thousand times with Bailey Bridges, in addition to the pontoon and other type bridge which they have also used. On many an occasion this summer and fall, U. S. Army Sherman tanks, self-propelled artillery, and heavy trucks were rolling forward to the front lines on Bailey Bridges across rivers where a few hours before there had been only the broken remains of a wrecked bridge.

Whether by highway or by railroad, the miracles of transport achieved by the Allied armies under General Eisenhower have been achieved only because Great Britain and the United States combined their production and their brains to do the job. The British Army could not have smashed into the Netherlands without the American trucks which they received from us. We could not have sent forward enough supplies for the American armies without the British-designed and British-produced bridges which we received under reverse lend-lease. Similarly, in the case of railroad transportation, it was we who provided most of the locomotives, freight cars, and other rolling stock which were required, while it was the British who provided most of the unit railroad bridges which were necessary to get strategically vital French railroad lines running again.

OTHER BRITISH CONTRIBUTIONS

The British have also made other important contributions toward meeting the combined allied supply needs in the European campaign. For example, 95 percent of the essential civilian supplies landed in France in the first 90 days after "D" Day came from British stocks. Most of these supplies consisted of food which were drawn from Britain's own civilian food stocks. These included food sent from the United States under lendlease as well as food produced in Britain or in other parts of the British Empire.

We now have about twenty hospital trains in France, to carry American wounded back to base hospitals or to the coast for transferral to hospitals in England or the United States. Every one of these trains was built and equipped in Great Britain and provided to us as reverse lend-lease. In Britain we have also been provided with hospitals with beds for 100,000 men.

We have received literally thousands of different types of supplies and services for our forces from the British under reverse lend-lease. They range from the full use of the world's two greatest liners, the Queen Mary and the Queen Elizabeth, to carry American troops across the ocean, to the provision of 16,000,000 boxes of matches for our Army post exchanges; from 14,120,000 rounds of ammunition and 587,000 smoke and other chemical warfare generators to 33,340,000 pounds of nails and 11,000 telegraph poles; from 200 mobile wharf cranes and 180 miles of new railway track to 37,250,000 cakes of soap and 7,800,000 pounds of salt. In spite of Britain's own food shortages, 20 percent of the food for our forces in the United Kingdom was provided as reverse lend-lease from Britain's own production of fresh foods and from the production of her Empire.

BRITISH AID FOR OUR AIR OFFENSIVE

The biggest single reverse lend-lease project undertaken by the British in terms of cost has been the construction of the great Eighth and Ninth United States Air Force bases, supply and assembly depots. This project involved the expenditure of \$440,000,000, and the employment of tens of thousands of civilian laborers. Once the bases were built and equipped, British railroads bore the main burden of carrying to these bases from ports and supply dumps the vast and increasing tonnages of oil and gasoline and bombs required for the tremendous air offensive. As the pace and scope of the offensive were rapidly stepped up this year, special trains loaded with bombs and with traffic priority over the fastest passenger trains in Britain often raced direct from shipside to our Flying Fortress bases.

Although the United States Army Air Forces use almost entirely American-produced airplanes and we have provided thousands more American-type planes under lend-lease to the British to supplement their own production, we had already received from the British as reverse lend-lease over 2,100 British aircraft up to June 30, 1944. Of these 1,440 were

turned over to us in the United Kingdom and 660 in other theaters. They were valuable to us either because of joint operations or because we needed quick action to meet local shortages of certain types of planes.

We have received 500 British "Horsa" Gliders, which were used by American airborne troops along with our own gliders in the "D" Day operations this June or in subsequent airborne landing operations. We have received over 700 Spitfires, and hundreds of other planes including Mosquitoes, Beaufighters, and training types used in Britain.

More important than these aircraft, in many ways, however, has been the assistance given to our Air Forces by the British under reverse lendlease on several vitally important special production projects.

One Million Spark Plugs

Before and during the Battle of Britain, when the RAF had to work its outnumbered planes around the clock and the Spitfire and Hurricane engines got punishing treatment, the British developed a new-type airplane spark plug. It was a hand-tailored, expensive product with platinum points and a core of synthetic powder fused almost to the hardness of diamonds. But it was worth more than diamonds and platinum combined to the hard-worked RAF, for it had a life from 4 to 5 times longer than the standard airplane engine spark plug. That meant cutting way down on the chances of engine trouble, which meant saving many lives, especially under combat conditions and on long-range missions. Although the plug was hand-tailored, the British worked out production techniques for increasing their limited output during the next two years, and the Government built new "shadow" factories out in the country to step up production still further. The British used their limited production for those planes where the operational strains were most severe.

After the United States Eighth Air Force began operations from Britain in the summer of 1942, our Flying Fortress crews began having spark-plug trouble. We tried the British hand-tailored plugs, adapted to the B-17's Wright engines. We, like the British, found they lasted from 4 to 5 times longer than the standard plugs.

The British then undertook to double their production so they could provide all our Eighth Air Force Fortresses with these plugs.

Since early in 1943 virtually every United States Flying Fortress has taken off from British bases with these plugs in each of its four engines. It would be impossible to estimate how many thousand United States bomber crews may since then have owed their lives to these spark plugs, but the performance record of the plugs speaks for itself.

Similar British plugs have also been installed in United States Air Force P-51 Mustangs in the European Theater and 600,000 were shipped under reverse lend-lease to the United States for installation in Rolls Royce Merlin engines produced in this country. In all, about 1,000,000 of these plugs have now been provided by the United Kingdom.

This is not all. Many months ago, the British made available to the United States all the formulas, designs, and production techniques involved in making this plug, and Chinese copies of the plug are now being mass-produced in the United States to meet our operational needs in theaters all over the world.

300,000 Paper Gas Tanks

This year the United States Eighth Air Force has struck effectively deep into the heart of Germany because our Thunderbolts and Mustangs have been able to give the Fortresses long-range fighter protection. Our fighters have been able to fly the extra distance because they have been equipped with detachable auxiliary gas tanks. When the extra gasoline is used up, the tanks are jettisoned.

Almost all of these tanks have been made in Britain under reverse lend-lease. They have been made of old newspapers and other waste paper, pressed and treated under a formula first developed by British technicians. Production was begun on 108-gallon size paper tanks for P-47's in the summer of 1943. Later this tank was adapted for use by our P-51's as well. Production of a 165-gallon paper tank to enable our P-47's to travel even farther was begun in January of this year.

Operational needs of our Air Force for these detachable tanks increased so fast early last spring that for a few weeks tanks that were delivered from factories one day would be in use over Berlin or some other German city the next day. Since then there have been plenty of them. By June 30, 137,000 had been delivered. Now deliveries are approaching the 300,000 mark.

These paper tanks have been made in over a score of small plants scattered throughout Britain, plants that used to turn out such products as ice-cream containers. To find enough labor to meet our needs the British went out and recruited women, men in their fifties and sixties, and boys in their early teens to get production up to the required levels.

By their devoted efforts this pick-up labor force, working principally with old newspapers and glue, has contributed much to bringing destruction to the heart of German war industry, to shortening the war, and to saving the lives of American bomber crews.

Other Air Force Supplies

Protective body armor for bomber crews was first developed in Britain. In the spring and summer of 1943 enough body armor for 600 United States Eighth Air Force bomber crews was produced and turned over to us as reverse lend-lease. Meanwhile a sample set of the armor was sent to the United States and manufacture was begun in this country, which has since met our needs. Similarly the British provided all the armor plate for B-17's and B-24's in the European Theater until early this year, when our heavy bombers began arriving from the United States fully equipped with this armor.

Other supplies provided to the United States Air Forces by the British under reverse lend-lease have included, among many hundreds of items of supply, such quantities as 110,000,000 cubic feet of breathing oxygen, over 1,000,000 gallons of paint and almost 1,500,000 pounds of chemicals, all supplies that are either difficult to ship or wasteful of shipping space.

The British have also provided us with quantities of radio equipment, including the total requirements of both our Eighth and Fifteenth Air Forces in the first six months of 1944 for one secret type of set.

The British produced and delivered to the United States Air Forces over 50,000 tires and 34,000 tubes for our Flying Fortresses, Liberators, Mustangs, Thunderbolts, and C-47 and C-53 cargo and transport planes by October 1 of this year. These tires have met a large part of the total tire requirements of our Air Forces in the European Theater. The crude rubber for this production program was drawn from British resources while the rayon fabric needed for the tires was sent from the United States.

Other supplies and equipment provided to our Air Forces under reverse lend-lease have included such varied items as 140,000 bicycles, 1,667,402 hand and machine tools, 6,106,000 flares, and 36,874,755 rivets.

RAW MATERIALS AND FOODSTUFFS

In addition to reverse lend-lease aid for our forces, the United States is receiving under reverse lend-lease from the British many strategic raw materials, commodities, and foodstuffs which are shipped to us.

The most important of these supplies is crude rubber. Reverse lend-lease rubber shipments to the United States from the British Commonwealth will total about 78,000 tons this year. This is considerably more than imports of crude rubber into the United States from all other sources during the year. About 70,000 tons are coming from Ceylon, 3,000 tons from United Kingdom stocks, 4,600 tons from India, and the balance from British territory in the Western Hemisphere. By June 30 we had already received over 38,000 tons of the total.

The shipments from Ceylon, the United Nations' largest producing source of crude rubber since the loss of Malaya and the East Indies, represent more than two-thirds of Ceylon's output. Most of the balance of the Ceylon rubber production is going to the Soviet Union and the remainder to Australia and New Zealand.

The United States is also benefiting directly from the deliveries to Australia, since much of this rubber is being fabricated in Australia into tires for the United States Forces operating in that theater. As Australia bears the cost of this manufacture under its own reverse lend-lease arrangements, both the rubber and the fabrication into tires are supplied to the United States without payment by us.

Benzol, which is required for manufacture of aviation gasoline and synthetic rubber, is another strategic commodity of which we have already

received very important shipments from both the United Kingdom and Australia under reverse lend-lease. By June 30, 1944, we had received 70,000,000 gallons.

Other raw materials, strategic commodities and foodstuffs sent to the United States under reverse lend-lease by June 30, 1944, include 22,000,000 lbs. of tea from Ceylon, 123,000,000 lbs. of cocoa, 6,500 long tons of palm kernels and palm oil, 37,000 long tons of sisal, the rope fiber, and 635,000 hides from British Africa, 35,000 long tons of copra from the British Islands of the Pacific and many other commodities needed for the United States war effort.

Because United States stocks of cocoa beans for making chocolate threatened to run short at Christmas time this year, the British government has just now arranged to rush to us 47,000,000 additional pounds of cocoa beans or cocoa butter from the United Kingdom's home stocks, besides another 56,000,000 pounds from West Africa before the first of the year. These shipments will also be on reverse lend-lease terms, without payment by us.

Up to June 30, 1944 we had received almost \$73,000,000 worth of raw materials, strategic commodities, and foodstuffs (including \$18,000,000 worth of benzol) from the United Kingdom, Southern Rhodesia, and British Colonies, as reverse lend-lease.

In addition, we are also receiving mica, burlap, jute and other strategic commodities on reverse lend-lease terms from India.

FREE EXCHANGE OF INFORMATION

The United States and Great Britain have both benefited greatly by the free interchange of technical and scientific information, data, and specifications on new weapons and inventions during the war. No money valuation is put on this type of aid. Radar is an outstanding example of this cooperation. We have learned much from the British and they from us. By pooling our experience and our skills we have together been able to make far greater strides in the use of radar than would otherwise have been possible.

British contributions to this "joint stock-pile of brains," in addition to those mentioned elsewhere in this report, have included such outstanding achievements as the invention of the jet-propulsion plane and the development of rockets that are now being used by American forces against the Japanese in the Paicfic.

The liquid-cooled British Merlin airplane engine, now being produced in vast quantities in the United States, was given its start in this country because the British freely made available all the specifications to us.

Most of the outstanding scientific developments of this war are the result of joint research and planning. Many of them will result in great peacetime benefits long after the war has ended.

Chapter 2

REVERSE LEND-LEASE FOR THE WAR AGAINST JAPAN

Reverse lend-lease facilities, supplies and services furnished to the United States forces in the Pacific, China and Burma-India Theaters for the war against Japan are now rapidly approaching the billion dollar mark.

The cost of the reverse lend-lease aid rendered by Australia and New Zealand and in India has been reported as totalling \$911,000,000 up to June 30, 1944, as shown in Table 5.

The supplies and services provided to United States forces in these theaters in the past six months as reverse lend-lease, without payment by us, have increased materially in quantity and in monetary value over the totals for the preceding six months.

REVERSE LEND-LEASE AID

Furnished to United States in the Pacific and C-B-I Theaters

	January—June 1944	Cumulative to June 30, 1944
Australia New Zealand India	\$184,906,000 39,293,000 125,863,000	\$547,270,000 131,179,000 232,616,000
TOTAL	350,062,000	911,065,000

(Conversion to dollars at official rates of exchange.)

Table 5

REVERSE LEND-LEASE AID FROM AUSTRALIA

	January-June 1944	Cumulative to June 30, 1944
Construction	\$30,189,000 23,654,000 4,661,000	\$123,179,000 118,775,000 40,096,000
ment	61,633,000 20,789,000 43,980,000	113,233,000 44,069,000 107,918,000
TOTAL	184,906,000	547,270,000

(Conversion from Australian pound at \$3.23.)

Table 6

REVERSE LEND-LEASE AID FROM NEW ZEALAND

	January-June 1944	Cumulative to June 30, 1944
Construction	\$6,000 23,011,000 (¹) 8,526,000 1,346,000 6,404,000	\$28,570,000 52,511,000 (¹) 21,893,000 7,846,000 20,359,000
TOTAL	39,293,000	131,179,000

¹ Not available separately; included with other military supplies and equipment. (Conversion from New Zealand pound at \$3.25.)

Table 7

In The Pacific Theater

In the case of Australia and New Zealand this increase is the more remarkable because most of the United States forces previously based in Australia and New Zealand have been moving out of these countries as the battle lines advanced far northward into the Philippines and the islands of the Central Pacific. The increase in reverse lend-lease aid in this theater reflects in some measure the very important part played by Australia and New Zealand in supplying the forces under General MacArthur with the tremendous quantities of equipment and other supplies required for the great operations in the Philippines which are now under way.

Both Australia and New Zealand are devoting 18 percent of their total war budgets to paying the cost of the reverse lend-lease program for United States forces. Supplies, equipment, services, and facilities have been provided by Australia and New Zealand to meet many of the procurement needs of all branches of the United States Army forces in this theater, including the Quartermaster Corps, Ordnance, the Medical Corps, the Engineers, the Signal Corps, the Transportation Corps and the Air Corps.

For the Philippines campaign and for our other island operations, one of the most vital supply responsibilities undertaken by Australia and New Zealand for United States forces has been the production of \$36,500,000 worth of landing craft, barges, tug boats, and other craft essential to the successful prosecution of an amphibious campaign over thousands of miles of ocean.

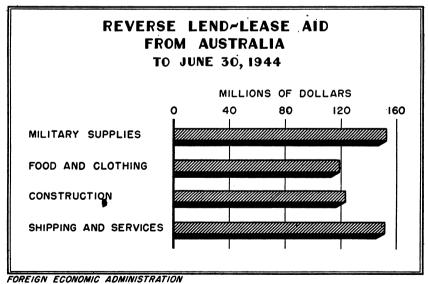


Chart 4

By June 30, 1944, which was well in time to meet General MacArthur's needs for the invasion of the Philippines, 9,500 of these craft had already been delivered under reverse lend-lease. Our forces have used many of them in landing and supply operations for the campaign on Leyte.

From the point of view of tonnage, the food provided by Australia and New Zealand has been by far the most important supply item handled by the Quartermaster Corps. We have now received from Australia and New Zealand about 1,850,000,000 pounds of food for United States forces in the Pacific Theater. This program includes not only great quantities of fresh foods, but also of canned and dehydrated foods locally grown and processed under a program undertaken especially for United States forces by Australia and New Zealand. This program has met by far the greater part of the total food requirements for our forces in this area. If it had been necessary for us to ship this food from the United States, it would have required 130 loaded ships. We were able to use these ships, instead, to bring from the United States more guns and tanks and other equipment which could not be produced at all or in sufficient quantities in Australia and New Zealand.

QUANTITIES OF FOODSTUFFS PROVIDED BY AUSTRALIA UNDER REVERSE LEND-LEASE

To June 30, 1944

· Item	Quantity, in pounds
Beef and veal Lamb, mutton and pork Canned and miscellaneous meat products Cereals, including bread, biscuits, flour, etc Potatoes Canned goods, including jam, fruit juice, etc Fresh fruit and vegetables Canned fruit and vegetables Dehydrated fruit and vegetables Butter Butter substitutes Sugar Condensed and evaporated milk Fresh eggs	143,151,680 140,071,680 19,953,920 37,065,280 18,742,080
TOTAL	1,270,043,697

The food we have received from Australia and New Zealand includes more than 400,000,000 pounds of beef and other meats. Tables 8 and 9 show the quantities of major food items produced and processed in Australia and New Zealand and turned over to our forces as reverse lend-lease.

In order to meet the great and increasing United States requirements for foodstuffs, while at the same time maintaining the supplies which New Zealand is committed to send to the United Kingdom, the New Zealand Government has imposed strict rationing of butter, cream, and milk, commodities of which there is normally an enormous surplus over local consumption. New Zealand has also made great efforts to increase her production of other foodstuffs, including fresh vegetables, solely for the purpose of meeting United States requirements. More than 5,000 acres of pasture land have been taken over by the New Zealand Agriculture Department and transformed into market gardens producing up to 4,500,000 pounds of fresh vegetables per month for the United States, New Zealand, and allied armed forces. Over a thousand employees are now working on

QUANTITIES OF FOODSTUFFS PROVIDED BY NEW ZEALAND UNDER REVERSE LEND-LEASE

To June 30, 1944

Îtem	Quantity, in pounds
Beef and veal. Lamb and mutton Pork. Bacon and ham Meat, canned Other fresh and processed meat Butter. Cheese Milk, evaporated Other dairy products Potatoes Other fresh vegetables Vegetables, canned Apples, fresh Sugar. Other foodstuffs	81,050,000 35,250,000 21,890,000 31,210,000 51,570,000 14,560,000 9,720,000 19,470,000 27,160,000 63,050,000 52,240,000 18,260,000 28,690,000 45,590,000
TOTAL	579,290,000

Table 9

the Government vegetable-growing program, many of them women who have been specially recruited and trained for this work. Large quantities of these vegetables are dehydrated and canned in special plants constructed since the war began. Virtually the entire output of these plants is going to American and New Zealand forces in the Pacific area.

The United States Army Quartermaster has been able to procure under reverse lend-lease many other items besides foodstuffs. For example, Australia alone has already furnished almost 1,500,000 army boots and shoes, over 1,750,000 army blankets, 7,500,000 pairs of socks, and almost 1,000,000 army shirts and jackets. Table 10 shows quantities of Army clothing received under reverse lend-lease from Australia.

Quantities of clothing received as reverse lend-lease from New Zealand include 240,000 Army blankets, 675,000 pairs of socks, 25,000 leather field jackets and more than 15,000 pairs of gloves. New Zealand has also provided the United States Army with 6,000 tents and with nearly 50,000 mattresses.

Most of the guns and ammunition with which the United States Army fights come from the United States, but Australia provides our Ordnance Corps from her own production with many supplementary supplies under reverse lend-lease that we must also have. These include such items as hand grenades, parachutes for fragmentation bombs, fire-control instruments of all kinds, machine and hand tools, tires and tubes, and ammunition boxes.

For the Medical Corps, Australia provides under reverse lend-lease, hospitals, hospital trains, beds and bedding, kitchen and mess equipment, stretchers and dressings, as well as many other supplies.

For our Army Engineers the Australians have provided earth-moving equipment of all kinds, cranes, concrete mixers, insulators, barbed wire, and hundreds of other miscellaneous supplies, in addition to the air bases, barracks and other facilities constructed or turned over to our forces.

For our Signal Corps, Australia produces such equipment as transmitters and receivers, wire and cable tubes and batteries and meteorological balloons.

Australian services to our Air Corps have included repair and overhaul facilities which have contributed much to keeping our planes in the air, in addition to aircraft parts, machine and hand tools, paints, oxygen and acetylene, flying jackets and jungle kits, auxiliary belly tanks, photographic material for our reconnaissance planes and hundreds of other items.

Australia and New Zealand have provided our Transportation Corps with repairs to ships and to other equipment, with landing craft, boats and ships of many types, with many miles of rope, marine engines and other types of supplies and equipment.

U. S. ARMY CLOTHING PROVIDED BY AUSTRALIA. UNDER REVERSE LEND-LEASE

To June 30, 1944

ltem	Number
Caps and hats	210,17
Chevrons, etc	971,22
Pairs of gloves	604,94
Helmets	34,00
Head nets	697,60
Jackets	484,05
Shirts	488,66
Socks	7,552,52
Sweaters	260,87
Men's underwear	461,00
Ties	1,235,00
Blankets	1,796,55
Trousers, etc	316,69
Boots and shoes	1,445,53
Boot and shoe and repair material pieces	3,832,73

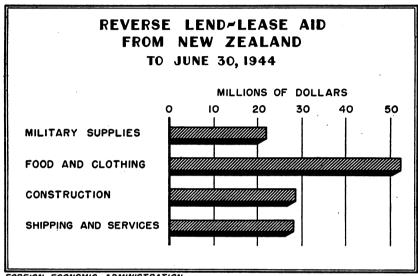
Table 10

Australia and New Zealand provide under reverse lend-lease all rail, air, motor, and water transportation costs, including freight, port, and harbor charges, stevedoring and wharf handling charges. They also pay the cost of telephone, telegraphic, and cable services under reverse lend-lease.

Virtually all of our requirements for tires and tubes in the Southwest Pacific are being provided this year under reverse lend-lease by Australia. Already over 250,000 tires and 280,000 tubes have been delivered. A very large part of Australia's total tire production capacity has been devoted to this program. It has been made possible because Great Britain has sent from Ceylon to Australia enough crude rubber for the program and because we have sent from the United States the cotton fabric, carbon black, and some of the chemicals required for tire production.

New Zealand has provided hospital beds, mainly in specially constructed and equipped hospitals, for no fewer than 8,000 United States servicemen at a time when the accommodation in the Dominion for civilians in both public and private hospitals totalled only 13,000 beds. Camps, hospitals, warehouses, and other buildings constructed for the United States forces in New Zealand at a cost approximating \$29,000,000 have utilized more

than one-half of the annual building capacity of the Dominion. A large shipbuilding program comprising construction of hundreds of lighters, tugs, barges, etc., for use in the Pacific has been undertaken for the American forces. Shipbuilding, virtually a new enterprise for New Zealand, has, as a result of this activity, already reached the rank of a substantial industry. As a further reverse lend-lease contribution, more than 500 ships have been repaired and refitted in New Zealand without cost to the United States.



FOREIGN ECONOMIC ADMINISTRATION

Chart 5

Burma-India Theater

United States forces in the Burma-India Theater have received reverse lend-lease supplies, services, and facilities which cost the United Kingdom and the Government of India \$232,616,000 up to June 30, 1944.

More than 99½ percent of all supplies and services locally procured in India by United States forces are provided as reverse lend-lease by the Governments of the United Kingdom and India. The financial value of reverse lend-lease in India in the first six months of 1944 was more than 50 percent greater than for the entire year 1943.

Table 11 shows the cost of this aid, which was provided without any payment by us, by major categories.

More than half of all the reverse lend-lease aid which we have received in this theater has been provided for our Air Forces. By June 30, 1944,

REVERSE LEND-LEASE AID IN INDIA1

	January-June 1944	Cumulative to June 30, 1944
Construction	\$34,202,000 11,463,000	\$78,076,000 21,552,000
Air Force and other military supplies and equipment	68,746,000 1,543,000 9,909,000	109,563,000 3,643,000 19,782,000
TOTAL 2	125,863,000	232,616,000

¹ Provided both by the United Kingdom and the Government of India. Based on estimates by the United States Army.

² Does not include raw materials and foodstuffs shipped to the United States.

Table 11

we had received 113,300,000 gallons of aviation gasoline and 31,000,000 gallons of motor vehicle gasoline, in addition to millions of gallons of oil, lubricants and greases. The petroleum products provided to us by the British in this theater have been drawn from British oil resources.

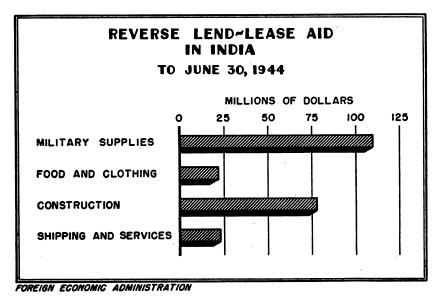


Chart 6

QUANTITIES OF PETROLEUM PRODUCTS RECEIVED BY U. S. FORCES IN INDIA UNDER REVERSE LEND-LEASE

To June 30, 1944

ltem .	Quantity, in U.S.
Aviation gasoline	2,651,156 31,157,091 246,022 3,682,727
Lubricants	572,046

Table 12

principally in the Middle East. A large part of the aviation gasoline which has powered the B-29 Super Fortresses of our 20th Air Force in their raids from bases in both India and China, has been provided as reverse lend-lease from the British refinery at Abadan on the Persian Gulf. Similarly, the heavy and medium bombers and the fighters of the

QUANTITIES OF FOODSTUFFS RECEIVED IN INDIA BY U. S. FORCES UNDER REVERSE LEND-LEASE

To June 30, 1944

ltem	Quantity, in pounds
Meat, fish and fowl Vegetables Fruits and nuts Bread Beverages Eggs Condiments Cereal and grain Milk and cream Miscellaneous subsistence	20,037,022 32,279,182 9,088,826 2,758,573 7,331,353 4,001,223 11,087,879 9,242,213 5,270,782 98,847,555
TOTAL	199,944,608

Table 13

10th United States Air Force in India and the 14th United States Air Force in China have used this reverse lend-lease gasoline in their operations against the Japanese.

Table 12 shows the quantities of petroleum products received by our forces in India under reverse lend-lease.

Construction of bases, barracks, and other facilities for our forces in India under reverse lend-lease cost \$78,000,000 up to June 30, 1944. Most of this construction has been for the United States Army Air Forces, including the bases in India for our Super-Fortresses as well as the bases for the 10th United States Air Force.

United States forces in India have also been provided with almost 200,000,000 pounds of food, as shown in Table 13.

Other Quartermaster Corps supplies provided as reverse lend-lease in India include 974,000 yards of cloth, almost 500,000 Army coats and jackets, over 600,000 pairs of Army trousers and shorts, and over 130,000 pairs of Army shoes, in addition to hundreds of thousands of other items of uniform equipment.